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### Gibraltar Hails Royal Visit; Spain Is Insulted

From Agency Disputches
GIBRALTAR —

newlywed Prince and Princess of Wales basked in the sun and seclusion of a honeymoon cruise in the Mediterranean Sunday, as Spanish newspapers charged that their tumultuous send-off from Gibraltar was provocative and insulting.

Most of the 30,000 residents

of Gibraltar turned out to cheer the couple, who delightedly hugged each other at the rail of the royal yacht Britannia Saturday night as it headed out on a two-week cruise, destination un-

A flotilla of motor cruisers, yachts, dinghies and rowboats swarmed round the Britannia to escort it from Britain's last European colony, which Spain claims

Buckingham Palace refused all comment on reports that the 5,000-ton vessel was bound for the coasts of Tunisia and Yugo-slavia. No sightings of the Britannia were reported.

#### Short Visit

The royal couple flew into Gi-braltar late Saturday and spent less than two hours in the colony. But it was enough to spark bitter denunciation from Spain, whose king, Juan Carlos I, boy-cotted the wedding last Wednesday in protest against the brief

Gibraltar was ceded to Britain from Spain under the Treaty of



The Prince and Princess of Wales boarding the royal yacht at Gibraltar, above, and waving to well-wishers once aboard.

Utrecht 277 years ago. The population of the so-called Rock voted overwhelmingly in 1977 to

remain a part of Britain. in Madrid, the lead story in the Roman Catholic daily Ya said the "Gibraltarians used the visit to insult Spain" while the conservative ABC carried an editorial under the headline "An

Act of Offense." But ABC devoted the tover and the first eight pages of its Sunday supplement to the wed-

The liberal daily El Pais carried a photograph on its front page showing Charles and Diana riding in an open car through cheering crowds in Gibraltar. The picture caption described the scene as "a provocation."

El Pais said 20,000 persons

lined the streets among "slogans in favor of a British Gibraltar," a rain of ticker tape, songs, British flags, and some banners and chants against Spain and King Juan Carlos."

Chanting, cheering crowds and red, white and blue banners greeted the royal couple as they drove the mile and a half from Gibraltar's airport, which juts into Algerias Bay, to the dockyard where they boarded the royal yacht

The couple responded with waves and smiles to the cheers of



# Military Leaders Confer as Poles Plan More Protests

By James M. Markham New York Tanes Service

WARSAW — A day after a sharp Communist Party warning to the independent union Solidarity. Premier Wojciech Jaruzelski was reported Sunday to have met with senior military commanders "in connection with the increasingly unfavorable and dangerous phenomena within the country's inter-

The announcement of Gen. tary Council at the Defense Ministry appeared aimed in part at dissuading Solidarity from launching further protests against food shortages. On Monday, Warsaw transportation workers and members of other municipal services are planning to converge on city half in a fresh protest.

On Saturday night, the Commu-nist Party Politburo issued a stern declaration that admonished Solidarity that strikes and street demonstrations in particular could set off "an explosion of nationwide conflict." The statement denied that Poland faced any danger of hunger and accused some Solidarity chapters of exploiting popular

Lately the role of Gen. Jaruzelski, who is also defense minister. and the Polish armed forces has been enhanced by a number of political moves. Last week, the taci-turn premier added two generals to his Cabinet, giving the key Interior Ministry portfolio to Gen. Czeslaw Kiszczak, a former chief of mili-tary intelligence. Four generals new sit in the Cabinet.

#### **Troop Use Announced**

The government announced Saturday that troops will be used to support civilian and police inspectors in a proclaimed crackdown on speculators and black marketeers. The rapid decline of the Polish economy and mounting shortages of basic necessities have encouraged the spread of a flourishing black market.

The meeting of the Military Council, which brings together top commanders from all three branches of the armed forces, was announced as the first item on the Sunday evening television news. After mentioning the unspecified "daneerous phenomena" — an evident allusion to the latest unrest -

"Against this background, measures were discussed to ensure the

#### INSIDE

#### Torrijos Dies

Gen. Omar Torrijos Herrera, the political leader who won Panamanian control of the Panama Canal in a pact with the United States, dies in a plane crash. Page 6.

### MX Decision?

Washington sources say that President Reagan is prepared to recommend replacement of the disputed land-based MX missile system with an even more controversial proposal for parting the missiles aboard. orplanes for aerial launching

required level of defense prepared-ness and security in Poland. Tasks were outlined for the armed forces regarding their participation in the national economy and in fighting speculation and other socially destructive phenomena."

Solidarity announced Sunday that "technical difficulties" prevented it from meeting Monday with Deputy Premier Mieczyslaw Rakowski to discuss the taut situa-

tion generated by the food shortages and protests. In the last week, local Solidarity chapters have staged a variety of street demonstrations and "anti-hunger marches," and on Friday some 300 industrial workers marched to the doorway of Parliament to demand the restitution of a 20 percent cut in meat rations.

talks Monday with Mr. Rakowski was not "timely," but other union informants said it was likely that discussions would take place later in the week. Solidarity's Warsaw. chapter has proclaimed a two-hour warning strike over the food ques-tion on Wednesday.

The Politburo's declaration Saturday was issued as Poles celebrat-Andrzei Gwiazda, a Solidarity ed the anniversary of the Warsaw leader, said that the invitation for uprising against Nazi occupation.

As in the past, families laden with flowers visited the vast Powazki cemetery on the outskirts of the capital to commemorate some of the 200,000 people killed during the 63-day siege. Voive candles in shallow dishes flickered

under the bowers of birch trees. Solidarity, which did not exist at the time of last year's celebration of the uprising, held a rally of its own in the leafy graveyard.

# President Returns to Gambia; Rebels Still Hold Out

DAKAR, Senegal - President

Dawda K. Jawara of Gambia flew back to his country on Sunday, where some leftist rebels are still holding out against Senegalese troops and loyal Gambian forces. Airport sources said Sir Dawda left for the Gambian capital, Ban-jul, at midday in a military plane.

Senegal sent its troops into Gambia, which it borders on three sides, at Sir Dawda's request. A Marxist group attempted to take over the country Thursday while the president was in London. Reports Saturday that the Sene-

galese troops met stiff rebel resistance when they advanced on Ban-

By David S. Broder

Washington Post Service
ATHENS — Andreas Papan-

dreou, the stormy petrel of Greek politics, is back at the center of the action again, stir-ring memories and emotions

that many here and in Washing-

ton would like to have left undis-

The former University of Cali-

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formia economics professor is the

leading challenger to Premier George Rallis in the election to

be held this fall. A frequent critic of NATO and U.S. foreign

policy, Mr. Papandreou is a dra-matic figure whose election could mean a sharp change of

direction in Greece.

Greece is the troubled partner

in the NATO alliance, the only

one more preoccupied with the perceived threat from an "ally." Turkey, than with the danger

from the Soviet Union and its

During the last two decades,

Greece's relations with the Unit-ed States have ranged from tenu-ous to traumatic. Mr. Papandre-

ou, 62, has been a symbol of that

tension. His candidacy also re-vives memories of the 1967 colo-

nels' coup that aborted the elec-

tion that might have returned his

father, George, to power.
The son of a former premier.

Mr. Rallis, 62, won a hard-

fought, one-vote victory for the

leadership of the New Democra-

cy Party when longtime Premier

Constantine Caramanias moved

up to the position of president in

May, 1980. An organizer and workhorse, Mr. Rallis has ia-

casualty figures. Sources at Dakar's main hospital said that 9 Senegalese soldiers had been killed

and 32 wounded. Diplomatic sources said that some Senegalese troops now were apparently heading for the Banjul suburb of Fajara, where it was suspected that hostages taken by the rebels were being held.

#### **Defections from Field Force**

The rebels were still broadcasting messages from some of the hostages saying their lives were in danger, the sources said. One appeal came from a man saying he was from the Gambian Agriculture

jul were confirmed Sunday by the Ministry, but it was not clear if he was the minister. The main barracks of Gambia's

small paramilitary field force are in the Fajara area, the sources said. Gambia has no army. Three members of the field force

are on the rebels' 12-man Revolutionary Council, and an unknown number of other members of the force have joined the rebels' ranks. Leading the coup attempt is an obscure Marxist politician named

Kukli Samba Sanyang. Sir Dawda flew to Senegal within hours of the coup and rallied the Dakar government to his side.

Friday, under the terms of a 1965 mutual defense agreement,

Senegalese troops attacked the Gambian rebels by land, sea and air. They seized the airport Friday morning but waited until Saturday to advance on Banjul.

### One Hostage Is Safe

Senegalese government sources said Saturday that troops had found Senegalese diplomat Seydou Nourou Ba in the buildings of Radio Gambia. Mr. Ba was the first person to be threatened with death by the rebels if the Senegalese troops did not withdraw, but he

was found unharmed. In a broadcast Saturday night, Sir Dawda called on the rebels to (Continued on Page 2, Col. 7)

# 2 More Ulster Inmates Die in Hunger Strike; Mine Kills 2 Officers

BELFAST — Hunger striker Kieran Doherty died Sunday at the Maze Prison near here on the 73d day of his fast, the eighth inmate to succumb in the protest by Irish nationalist prisoners, Britain's Northern Ireland Office announced. The seventh victim, Kevin Lynch, 25, died Saturday.

Meanwhile, two policemen were billed by the price Sunday were

killed by a mme Sunday near Mr. Doherty, 25, fasted longer than any of the other protesters so far. Mr. Lynch had been fasting

since May 23. The hunger strikers are trying to force the British government to treat hundreds of jailed nationalist guerrillas in Northern Ireland as political prisoners. The hunger strike was lannched March I by Bobby Sands, who died May 5. Street violence has followed each

The two policeman were slain

Provisional wing detonated a mine containing several hundred pounds of explosives under the second vehicle in a two-car police patrol on a country road outside Omagh, 60 miles west of Belfast.

Two officers in the other squad car were slightly wounded, a police spokesman said.

Masked Roman Catholic sup-porters of the Irish Republican Army reportedly began hurling gasoline bombs and bricks at security forces in several areas of West Belfast shortly after news of Mr. Doherty's death was spread by women banging garbage can lids and blowing whistles, as they have

for the earlier deaths. Sinn Fein, the outlawed IRA's political arm, said Mr. Lynch's and Mr. Doherty's places in the protest would soon be taken and that in the future, prisoners who die on the fast would be replaced at intervals of one week "to insure on the British government."

Lynch's death, policemen were assaulted with rocks and gasoline bombs in several sections of Belfast. A boy was seriously hurt when a booby-trapped British flag blew up as he tried to remove it from its stanchion.

#### **Police Toll Rises**

Fourteen police officers have been killed this year amid a surge of violence authorities have linked to the hunger strike.

Mr. Doherty, who was elected a deputy in the Irish Republic's parliament June 11, was from the staunchly Roman Catholic Andersontown district. He was jailed in January, 1978, on a 22-year sentence for possession of firearms and explosives.

Mr. Doherty's death came despite appeals from leading Catholic churchmen — among them Bishop Edward Daly of Londonderry — to the hunger striker's families to save the protesters' lives

# Largest Budget Cut Ever Voted Goes to Reagan From Congress

By Helen Dewar

WASHINGTON - Congress has made history with its final ap-proval of \$35 billion in spending cuts for next year that reverse nearly half a century of expanding government involvement in social

By voice vote, the House and its Democratic majority Friday approved a conference compromise that gives President Reagan almost all the budget reductions he sought less than five months ago -a total of more than \$130 billion over the next three years. Within a couple of hours, the Republican-con-trolled Senate followed suit, sending the measure to Mr. Reagan for his signature.

Although the Democrats claim to have saved about \$3.5-billion worth of programs in House-Sen-ate negotiations over the final for Mr. Reagan and his brand of tier and Great Society.

Deep cuts were approved in education, health, welfare, employment, nutrition, retirement and other programs. Some programs, such as public service jobs, will vanish. Democrats succeeded in preserving the structure of some threatened programs and prevented many others from being submerged into block grants to the states. But even on block grants, where Mr. Reagan was least successful, he won partial victories.

The spending cuts were the big-gest ever voted by Congress, and they passed with extraordinary speed under releatless pressure

 Senate and House negotiators clear way for vote on tax cuts, and several House Democrats are reported considering a switch in party. Page 3.

from Mr. Reagan and his budget director, David A. Stockman. The Democratic-controlled House buckled repeatedly, twice choosing-Mr. Reagan's spending blueprint over a Democratic alternative and accepting his tax-cut plan as well. The tax and spending cuts will give the president the twin pillars of his economic program within his first 300 days in office. Sen. Edward M. Kennedy, a Massachusetts Democrat, called Mr. Reagan's victory the product of an economic theory that says prosperity can only come by aban-doning the social progress of a The program cuts, affecting every aspect of government except the

military, are aimed at keeping the United States within a budget of \$695.5 billion and a projected deficit of \$37.6 billion for the 1982 fiscal year, which starts Oct. 1. The administration says this is a first step toward a balanced budget by 1984, but that will require still more cuts later. Largely because of increases in

military spending, actual outlays will continue to grow next year. (Continued on Page 3, Col. 2)

# ate negotiations over the final product, it was a major triumph for Mr. Reagan and his brand of fiscal conservatism that resulted in cutting up to 250 domestic speading programs, the legacies of the New Deal, Fair Deal, New Fron-

By Adam Clymer New York Times Service WASHINGTON -- With his latest dazzling legislative triumph on tax reductions, President Reagan

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has done far more than outwit the Democrats in the 97th Congress. For even if they somehow regroup and defeat him on some other im-

portant issue, this victory has changed the field of play for politics in Washington and the nation. Mr. Reagan's tax and spending cuts together mean there will be much less room to maneuver in government, especially for running left.

It is true that the Democrats

seem to have let themselves get

pushed back to more defensible political territory, where the issues may make it harder for the alwaysinventive president to claim an electoral mandate. Democrats should find it easier to denounce him for suggesting Social Security cuts, which he forswore in the 1980 campaign, than for proposing tax cuts, which he promised in 1980. But there is little in the way Democrats made their case last week, even when the NBC and ABC television networks gave them the unheard-of opportunity for prime-time responses to the president's Monday speech on the same night, to suggest that they know how to make their arguments effectively. There is even less in last week's votes, as Democrats caved in before a barrage of

### can turn their arguments to legisla-tive advantage — at least not any Reagan's Way

telephone calls on the way to a 238-195 defeat on the key tax vote

in the House, to suggest that they

But upcoming fights aside, very important issues have already been settled Mr. Reagan's way. The budget figures agreed to last week are not general reductions. They are cuts that fall heaviest on the social programs that conservative Republicans believe the federal government should not pay for or

And the tax cut is not merely the experiment in supply-side economics that Rep. Jack Kemp, Republican of New York, and then Ronald Reagan, as a candidate, used to argue would produce more taxes by lowering rates and in-creasing incentives. The provisions for indexing future tax rates to en-sure that the Treasury does not receive a dividend from inflation are roadblocks against future legilative action to reverse the spending cuts. Unless it finds the nerveto vote a tax increase, or slash military spending. Congress will not have the money available to permit it to change its mind.

James A. Baker 3d. assistant to the president, said last week, [1] happen to think that Rosald

(Continued on Page 3, Col. 2)

# Greece: A Papandreou Again in the Spotlight

### Former U.S. Professor Stirs Memories, Offers Change

bored in Mr. Caramanlis' shadow, but he has traveled through-out the country trying to build his personal following to withstand Mr. Papandreou's chal-lenge. He has worked hard at the job, but inflation soared to a 30 percent rate early this year and controversy still surrounds the government's decision to bring Greece into the Common Mar-

With polls in the Athens area showing Mr. Papandreou's party ahead, Mr. Rallis in June broke off lengthy negotiations for renewal of the agreement with the United States for the Sixth Fleet base in Crete's Souda Bay and the United States for the Sixth Fleet base in Crete's Souda Bay and other U.S. installations on the mainland. Mr. Papandreou said the talks broke down because "even this right-wing govern-ment was unable to accept the unbearable conditions set by the U.S. side." But Mr. Rallis insisted that time had simply run out. on concluding the discussions in time to submit a new agreement to Parliament before the elec-

The premier is sometimes vexed by his dealings with the Americans. "You have followed so stupid a policy toward Greece since 1967 that there is an anti-American sentiment here," he said in an interview, "It has less-ened in the last four or five years, but you created the impression you were backing the dictatorship [from 1967 to 1974] even though you were not. And that is not forgotten."

It is certainly not forgotten by

Mr. Papandreou, who forged his

political identity as a victim and

for of the colonels - and who

carries in his political memory the suspicions of U.S. policy in that period, when the United States gave military aid to the junta and conferred prestige on the unsavory regime of George Papadopoulos by the visits of Vice President Spiro T. Agnew and other high Nixon adminis-tration officials. coup aborted the elections.

The coup also led to Andreas
Papandreou's imprisonment. After six months in jail, he was re-Mr. Papendreaou went to the

United States in 1939, after being arrested for "leftist" activ-ities by the rightist government, studied at Harvard, Minnesota and Stanford and then taught economics at Minnesota and the University of California, Berkeley. During that time, Mr. Pa-pandreou became active in Dem-When Mr. Papandreou reocratic Party affairs and developed close friendships with such men as Hubert H. Humphrey, Walter Heller and John Kennetl Galbraith. It was not until 1959 that Mr. Papandreou returned to his homeland, accepting an invi-tation from Mr. Caramanlis to "We are the only European create the first institute of ad-

#### vanced economic studies in Conflict Deepened

He plunged into politics, joining his father's efforts to bring the opposition Center Union Party into power. Despite Andreas Papandreou's close ties to leading Rennedy administration figures, his political efforts

sority in Parliament in the elec-

brought him into conflict with the U.S. Embassy, which was clearly in the Caramanlis corper. That conflict deepened when George Papandreov von first a plurality victory and then a ma-

King Constantine dismissed the Papandreon government in 1965, but in 1967, when the new elections were scheduled, the betting was that the Papandreous would be returned to power. On April 21, 1967, the colonels'

leased — in part because of pres-sure from the Johnson administration and such old friends as Prof. Heller. He went to the United States, then settled in Canada to organize international opposition to the colonels' re-

turned to Greece after the collapse of the junta in 1974, he formed PASEK, a new political party of the left, with a base among the young people, civil servants and white-collar work-

country that has had a negative experience with NATO and the U.S.," he said in a recent inter-

"In the present situation," he said, "we see the United States has chosen the spoiled child, Turkey, and has given Greece second place. Today, the basic question for a Greek is the reality of the Turkish threat. The military and the people and I are convinced that we are in for a generation of conflict with the Turks. The Turks are committed to the view that the Aegean is not a Greek sea but must be shared by Greece with Turkey.

We see the United States and

NATO sharing the Turkish view.

because Turkey is so strategically important. This puts a heavy burden of defense costs on us, and our party has steadfastly backed all the budget proposals for the enhancement of Greek military might." In a separate interview, Pre-mier Rallis was almost as criti-cal. "Sometimes," he said in a

voice of great patience, "I can-not understand your policy. Six years ago, we asked the Ford administration to guarantee a 10-7 balance in the arms aid to Tur-key and Greece. There was an oral understanding that for six years was observed. Then, in 1980, the Carter administration came up \$20 million short — \$400 million for Turkey and \$260 million, not \$280 million, for Greece.

"Now \$20 million makes no great difference in the Greek budget, let alone the U.S. budget, but it created an atmosphe of fear. Congress is restoring the extra \$20 million, but now the Turks are complaining. It is an imnecessary discussion; it is use-

#### Long-Term Design

Mr. Papandreou said his tacit alliance with the military also shaped his political strategy. While expressing confidence that PASEK would finish first in the coming elections, he flatly excluded a coalition with the Communists if he failed to win a majority in Parliament. "While PASEK is acceptable to the army." he said, "the collabora-tion of PASEK with the Communists would undoubtedly lead to intervention."

His long-term design calls for socializing key sectors of the Greek economy and achieving



Andreas Papandreou

redistribution of income. In foreign policy, he said, one also must distinguish between "those of our policies that must be seen as goals and visions, on one hand, and the objectives we would seek in the next four to eight years, on the other hand." Our long-term vision is a Europe, East and West, outside the blocs. I have said we must end,

at some time, the Yalta and

Potsdam agreements, and that means no Warsaw Pact, no NATO. The climate of PASEK s the climate of nonalignment. "In respect to the bases," he said. "we recognize they cannot he removed now from Greece, in view of the overall global and European confrontation. But we would expect an annual review of the status of the bases - a

# Bani-Sadr Vows Khomeini Ouster As Rajai Is Sworn In as President

From Avenue Disputches PARIS - Iran's new president. Mohammed Ali Rajai, was formally sworn in Sunday, as his self-ex-iled predecessor pledged to return to overthrow the country's revolutionary leaders.

Tehran Radio reported that Mr. Rajai, the former premier who was elected president last month, was confirmed in office by Ayatollah Ruhollah Khomeira, Iran's revolutionary and spiritual leader.

But former President Abolhas-san Bani-Sadr, who fled to France last Wednesday, said in an interview with the West German magazine Der Spiegel that he planned to return to Iran in a few months to help depose the avaiollah.

And in a statement to Reuters. Mr. Bani-Sadr accused Iran's ciergy-led government of random arrests, torture and executions, and appealed to the armed forces to resist what he termed "the despotic

The conflict led to violent demonstrations in Paris Saturday and

an Iranian warning to France of the consequences of allowing the former president to speak against Ayatollah Khomeini.

Tehran Radio, monitored by Reuters, said Mr. Rajai was confirmed as president at a ceremony in a mosque outside the Tehran residence of the avatollah. In a brief speech, the new president pledged to struggle against what he termed the oppressors of East and

But in the Der Spiegel interview, Mr. Bani-Sadr said he saw no chance for survival for the "relig-

ious dictatorship" in Iran.
"I will be going back to Iran in a few months," he said. And, asked if he intended to bring about the end of the avatollah's rule, he said:

Mr. Bani-Sadr said in the interview that the Iranian armed forces were on his side, but he apparently ruled out a violent coup d'etal. "What must be prevented is that the change takes on a bloody form."

### Unexploded Israeli Bombs Delay Iraqi Reactor Check

By Thomas O'Teole Washington Post Service

WASHINGTON - Technicians have been unable to inspect the damage to the Osirak reactor in Iraq that was hit by in an Israeli air attack June? because there are two unexploded 2,000-pound bombs under the rubble.

French inspectors have refused to enter the ruins of the reactor to assess the damage, Bertrand Barre. nuclear attaché at the French Embassy in Washington, said Friday. because there are at least two unexploded Israeli bombs underneath the wreckage. Mr. Barre said that the Iraqis asked the French inspectors to waive Iraqi liability for their personal safety, which the French inspectors declined to do.

\*Our inspectors did not go in, Mr. Barre said, "The assessment of damage done to the reactor has been made from photographs. The unexploded bombs are under the rubble of the main reactor and pose no threat to the fuel, which lies under water and partly under ground at least 200 feet away. Mr. Barre said there may be more than two unexploded bombs in the rub-

He said there is no evidence that the Israelis deliberately placed the bombs there to endanger a cleanup of the ruins, noting that bombs often misfire by accident. "That kind of thing happens all the time," Mr.

He said the photographs show hat the main part of the \$320-milion research reactor is destroyed. Still intact are auxiliary buildings.

The Irish have a way of making you

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day-in a jaunting cart, no less (with

you holding the reins). But before you

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you to lavish medieva! banquets

at night. And show you the most

a small reactor called a mock-up, where the fuel was preirradiated,

ing the mock-up from the main reactor hav 200 feet away. "If we were ever to rebuild the reactor." Mr. Barre said. "we would have to rebuild the main segment of the reactor completely

and the 26 pounds of highly en-riched uranium fuel that is still sit-

ting in a channel of water separat-

hecause there is nothing left of it. Most of the 150 French technicians engaged on the Osirak project are still in France, where they have been since the attack. Mr. Barre said. There are 20 French inspectors at the site to keep watch over the enriched uranium fuel that was also supplied by the French.

The French newspaper Le Monde reported recently that there had been reports of unexplained explosions at the reactor are, which is 11 miles outside

Mr. Barre said he did not know when Iraqi bomb squads might move into the rubble to disarm the unexploded bombs, saving that was an Iraqi decision. He said that the bombs must be disarmed hefore the rubble can be cleaned away and the damage fully as-

There have been no official talks between the French and Iraqis about rebuilding the reactor, Mr. Barre said, though Iraq has pledged to rebuild it. Mr. Barre said that if France rebuilds the reactor, it will be supplied with a new type of French fuel, called

Caramel.

percent of the Iranian people sup-ported the ayatollah, but he said this was enough to keep him in power with the help of "repressive

measures." He described his successor, Mr. Rajai, as a weak man, and said: "Civil war is taking place everywhere in Iran and it will intensify. Mr. Bani Sadr was granted political asylum on the condition that

did not engage in politics while in France. However, he appeared to break that promise as soon as he made it and was quoted as telling a group of Italian journalists Satur-day that he might leave France for another country — possibly Italy — to continue his politicking unhindered.

Well-informed French sources said Sunday that Mr. Bani-Sadr had agreed to a request by French authorities to moderate his public statements. The sources said his statements about overthrowing the ayatollah had alarmed French authorities. There was no comment from Mr. Bani-Sadr, who moved during the weekend to the home of a friend in the village of Auverssur-Oise, 20 miles north of Paris. Police said it would be easier to protect him there.
In Iran, meanwhile, the official

Pars news agency reported Saturday that demonstrators had left the French Embassy in Tehran. which they had surrounded for two days to chant anti-French slogans and demand Mr. Bani-Sadr's extradition from France.

In an interview with the British Broadcasting Corp., Moussad Ra-javi, leader of the Mujahaddin, the lefist Islamic guerrilla group, said he and Mr. Bani-Sadr were joining forces to overthrow Ayatollah Khomeini. Mr. Rajavi said he was forced to flee Iran with Mr. Bani-Sadr "for security reasons."

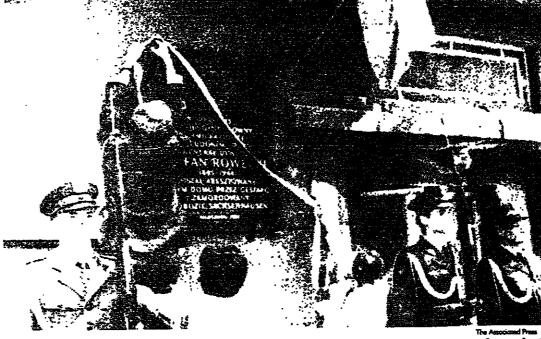
#### Iranians Clash in Paris

PARIS (Reuters) - Iranian students opposed to their country's Islamic regime ransacked the Iran Cultural Center late Saturday after violent clashes between Iranian student groups at a university resi-

dence, police said.
About 20 Iranian students were arrested during the attack on the center in the Latin Quarter of the city, police said. Several persons were slightly injured several hours earlier when supporters and opponents of religious leader Ayatollah Ruhollah Khomeini fought at a student residence building. Riot police stopped the clashes.

#### Raid on Iraq Reported

BEIRUT (AP) — Iran's military command said Sunday that its planes attacked Iraqi oil installations and that the jets returned safely despite heavy anti-aircraft fire. Tehran Radio reported.



An honor guard stood at attention as red and white bunting was draped over a plaque just unveiled in Warsaw in memory of Stefan Rowecki, a commander of Polish underground forces in World War II. Arrested by the Nazis in 1943, he died in a concentration camp later that year.

### Ministers Set Cancun Summit Themes, **Avoid Conflict on North-South Agenda**

From Agency Dispatches CANCUN, Mexico - Foreign ministers from 22 countries wrapped up a two-day conference ahead of schedule Sunday, quickly agreeing to the major themes for an October summit on easing the economic gap between rich and poor nations.

Originally scheduled to meet for four sessions over two days, the foreign ministers, including U.S. Secretary of State Alexander M. Haig Jr., finished most of their work Saturday and were convening for only one hour Sunday to put the finishing touches on a final

communiqué. Mr. Haig was particularly upbeat after the first session and expressed satisfaction that the meetings were being held without

"confrontational mode." The ministers, representing some of the world's richest countries as well as some of the poorer. began planning Saturday for the North-South summit" that will bring their national leaders to Cancun Oct. 22 and 23 to discuss the problems and inequities of the global economy.

'South' Items

An agreement by the ministers to include such items as agricultural development, raw materials, international trade, world finances and energy problems appeared to reflect a victory for the so-called 'South" nations of the underdevel-

Those nations have pressed for concessions from the "rich" northern countries for higher prices for raw materials, lower trade barriers and interest rates on economic de-

velopment loans. Since the dialogue began in 1975, the developed nations have demanded secure oil supplies and prices, arguing they could not help the "South" if their own economies were mired in inflation and

Mr. Haig called the opening session "an extremely auspicious and promising start." He reported that a consensus was forming that the October summit, in line with U.S.

### Gibraltar Hails Visit

(Continued from Page 1)

the crowd. The prince was wearing a business suit for the occasion and Diana wore a loose-fitting white dress with a floral pattern.

Sailors Line Rails

White-clad sailors lined the rails of the Britannia and multicolored signal flags fluttered from her masts as the couple climbed the

Although the Spanish border, which has been closed since 1969, lies only 400 yards from the airport, there were no hostile demonstrations. Nor did the expected fleet of Spanish fishing vessels appear to harass the Britannia, Instead, large numbers of Spaniards came here by way of Tangier, on the North African coast, to watch Prince Charles and his new prin-cess, the former Lady Diana Spencer, travel through Gibraltar's

wisting, narrow streets. To the same degree that the Spanish officially took the royal couple's visit to the colony as an insult, the Gibraltarians took it as a seal of their Britishness. Sir Joshua Hassan, the chief minister, said that "today's reception con-firms the result of the referen-

The prince and princess, who spent the first three days of their honeymoon at Broadlands, an 18th-century mansion in southern England, took off Saturday morning from Eastleigh Airport near Southampton in a propeller-driven Andover aircraft of the Queen's Flight. Prince Charles took the controls himself for part of the seven-hour trip to Gibraltar.

### Oswald Widow **Doubts Grave** Contains Body

DALLAS — The widow of Lee Harvey Oswald, the presumed as-sassin of John F. Kennedy, said Sunday she would go to court to have her former busband's grave opened because she does not be-

tieve it contains a body.
"I've been trying everything for year to get it opened because I don't think there's a body down here," said Marina Oswald Porter. who was married to Oswald when Kennedy was slain in Dallas on Nov. 23, 1963.

Mrs. Porter did not say when she would file suit, but she said her lans to do so were firm. Oswald's brother, Robert, has opposed the xhumation.

Oswald's relatives have been trying to reach agreement on the issue since Mrs. Porter signed papers 11 months ago that would have permitted Michael Eddowes. a British author, to have the body exhumed and an autopsy per-formed to determine who was in the grave.

### Peking Facing Water Shortage

United Press International
PEKING — Despite substantial rainfall in the past month. China's capital is running out of water, the Peking Daily warned Sunday. "The present supply capacity of

the municipal water company cannot now meet the daily needs of the general public or industrial production," the newspaper said. It blamed the shortage on population growth, expanding industry and a falling water table from the

tapping of groundwater. To solve the immediate problem, we must mobilize the populace of the entire city to take effecures and use all means to the newspaper said.

wishes, will "avoid specific agen-das" and forgo "the burden" of a formal communiqué but will center instead on "free and open discussion" by President Reagan and the other heads of state.

The Reagan administration has little sympathy with the previous rhetoric of the North-South dialogue, which Mr. Haig has called both confrontational and sterile. and in this connection is unhappy with the drive for "global negotiations" between North and South sponsored by a large bloc of developing countries.

#### French Plea Rejected

In keeping with previous tenta-tive agreements and U.S. wishes, Saturday's consensus rejected a plea by France's minister of exter-nal relations, Claude Cheysson. that advance papers be drafted on the issues to be covered in October to provide a greater opportunity for the leaders to deal with specif-

According to conference sources, the majority of those present, including the foreign ministers of India Brazil and China, disagreed with Mr. Cheysson's idea.

The conference co-chairman, Foreign Minister Jorge Castañeda of Mexico, said that the ministers sought to avoid confrontation now and at the October summit.

Nonetheless, officials from developing countries, notably For-eign Minister Ramiro Elysio Saraiva Guerreiro of Brazilia, spoke bluntly of the worsened condition of the world economy and

Mr. Guerreiro, in a speech to the private meeting later released by is delegation, said it is essential that the October summit provide "conclusions" and "concrete expressions" to implement "a political consensus on the urgent need for action" regarding North-South

Saying that the world economy is suffering from "a profound structural crisis," the Brazilian minister said he has no confidence in the ability of market forces to deal with the situation automatically. "The problems that we face require political solutions [and] concerted actions of the governments to correct inequalities which warp the world economy," he said.

### 8th Belfast **Striker Dies**

(Continued from Page 1)

by authorizing medical attention when the men slip into comas. Mr. Doherty's father, Alfie, refused to intervene. He said Sun-

day, before the death: "My son is not a dupe. He understands clearly what he is doing and the conse-quences of his actions. We support our son. We support whatever decision he reaches.

On Friday, when hunger striker Patrick Quinn, 29, became coma-tose his widowed mother instructed doctors to intervene.

Mr. Quinn, who had gone for 47 days without food, was reported Sunday to have regained con-sciousness in a Belfast hospital after 36 hours of intensive care, including vitamin injections. "It seems his life has been

saved," said the Rev. Christopher Mohan, the Quinn family's priest. "He has been conscious for long periods and is aware of what is appening." Father Mohan said that Mr.

Quinn had not indicated that he would repudiate his mother's action and resume his fast Despite speculation that Mrs. Quinn's intervention would start

similar moves by other relatives, none had shown signs of following

### Brazil Bishop Seeks End to Feud

New York Times Service
RIO DE JANEIRO — Cardinal Avelar Brandão Vilela, the Roman Catholic primate of Brazil, has offered to mediate a 32-year-old feud between two rural families that has accounted for six murders in the past month and a half.

Nearly 30 persons have died in the feud in the rural town of Exú. The most recent victims were members of the Alencar family, gunned down in their car in the state capital of Recife, and a 31year-old farmer from the other feuding family, who was shot while moving away from Exú to escape

# WORLD NEWS BRIEFS

U.S. Envoy to El Salvador Warns Businessmen. United Press International

SAN SALVADOR — U.S. Ambassador Deane R. Hinton has warned that a Communist takeover of El Salvador could occur if Salvadoran that a Communist takeover of El Salvador could occur it Salvadoran businessmen do not stop feuding with the ruling junta and do not work to rebuild the country's shattered economy.

In his first public appearance since he arrived in El Salvador in June.

Mr. Hinton warned on Saturday that rebels are trying to wreck the economy and install a Communist regime. "If the armed subversives who are at work only miles from here were to succeed in their efforts, all your other efforts would be in vain, "he told businessmen.

He also warned indirectly against infighting between businessmen and

government leaders. Conservative businessmen have publicly denounced the military-Christian Democratic junta for reforms instituted during the last year, including land redistribution and the nationalization of private hanks and coffee exports.

### Norvegian and U.S. Ships Rescue Vietnamese

MANILA — A Norwegian tanker and a U.S. military ship rescued 128 Vietnamese refugees in separate incidents over the weekend, officials said. More than 50 refugees were said to have died. Linued Press Internations

The tanker Antilia Bay rescued 94 emaciated refugees from the ocean late Saturday after seamen spotted their 56-foot (17-meter) fishing boat 200 miles (320 kilometers) northwest of Manila. The refugees said the Norwegian tanker was the 43d ship that had seen them since they fled from the mainland on July 11. They said more than 50 refugees had died

before the rescue. Early Sunday, the U.S. 7th Fleet's guided missile destroyer USS Berkeley rescued 13 men. 11 women and 10 children, including a baby born at sea. The rescue occurred 250 miles southeast of Ho Chi Minh City, formerly Saigon.

### Sadat on 3-Nation Tour to Discuss Peace Mores

LONDON - President Anwar Sadat of Egypt arrived in London on Sunday on the first leg of a three-nation tour to test the readiness of

Western leaders to revive Middle East peace efforts. He is to meet Monday with Prime Minister Margaret Thatcher and Foreign Secretary Lord Carrington. Britain holds the presidency of the European Economic Community's Council of Ministers, which launched

a Middle East peace initiative last year. From London, Mr. Sadat will go to Washington for his first meeting with President Reagan, and then to Austria for talks with Chancellor Bruno Kreisky, who has well-established relations with Palestinian leaders. U.S. officials said the Reagan administration would listen to Mr. Sadat but would not make any new proposals.

### Recipient of Artificial Heart Dies in Houston

The Associated Press HOUSTON - A 36-year-old Dutch bus driver who was kept alive by an artificial heart until he received a donated human organ died Sunday morning of an infection, in addition to kidney and pulmonary complications, hospital officials announced.

Willibords A. Meuffels died a little more than a week after receiving a human heart to take the place of the plastic pump that kept him alive for

Before Saturday his condition had been stable. No other person had lived so long after receiving an artificial heart.

# Gambia President Returns; Rebels Continue to Resist

(Continued from Page 1) surrender and release their hostages unharmed. But the rebels are apparently still holding Sir Daw-da's senior wife. Lady Thielal d'Diaye, his children, some gov-ernment ministers, Mr. Ba's wife and three children, five other chil-

dren staying with the Ba family and the Senegalese charge d'affaires.
Political sources said the events of the last few days were likely to have significant political repercus-

sions in the region. Sir Dawda has alleged that the

### Begin Promises To Stop El Al's Sabbath Flights

Resters
TEL AVIV — Prime Minister
Menachem Begin, still negotiating
on the formation of a new government, promised Israel's religious parties Sunday that he would order the state airline. El Al. to cease flying on Saturdays and Jewish holidays, Finance Minister Yoram Aridor said.

The religious parties, whose sup-port Mr. Begin needs in Parlia-ment after a near-deadlock in the June general election, have been pressing to make Sabbath observance more strict.

Mr. Begin met religious party leaders Sunday, but government sources said the talks left several

differences unresolved. They said Mr. Begin told the Orthodox leaders that if they did not agree by Tuesday to join his govemment, he would return his man-

date to President Yitzhak Navon. Mr. Aridor did not say when El Al's Saturday flights would cease. Airline officials told reporters that the move would cost El Al \$50 million a year in lost profits.

### Neo-Nazi Groups Gain Members. Bonn Concludes

United Press International BONN - Interior Minister Gerhart Baum said during the weekend that neo-Nazism is on the

rise in West Germany.
In his ministry's annual report, released Saturday, Mr. Baum said membership in militant neo-Nazi groups has increased, taking strength away from organized ex-

treme rightist political groups.

Mr. Baum said that since 1974 there has been an increase in mem-bership in "small, militant neo-Nazi groups without a firm organi-zational structure." This, he said, has led to an increase violent acts attributed to neo-Nazis from 42 in the first six months of 1979 to 48

in the same period in 1980. Mr. Baum said an extreme rightist group called the German Action Group probably was behind a bombing in August, 1980, at a home for refugees in Hamburg in which two Vietnamese were killed. Four members of the German Action group were arrested in Stuttgart on Tuesday on suspicion of involvement in the bombing.

Mr. Baum also said rightist extremists were behind the bombing last year at the annual Munich October carnival that killed 13 people and injured 200. The interior minister noted that he banned the Sports Group Hoffmann, which had about 400 members, as a neo-Nazi organization on Jan. 30. 1980, three months after

rebels have received arms and money from abroad, but he has not been specific.

Last November, he accused Libya of trying to destabilize his country and of giving military training to Gambians.

#### Reputation for Stability

In recent months libya has been trying to mend its fences with African governments, many of which view Libyan leader Moamer Qadhafi's activities in Africa with suspicion.

Gambia, with a population of slightly more than 500,000, had long enjoyed a reputation for political stability. Its tranquility and pleasant beaches made it a favorite destination every year for tens of thousands of Scandinavian tour-

The country has been suffering economically because of two consecutive poor groundnut harvests. Groundnuts are Gambia's main

The coup was preceded by demonstrations in Banjul against the high cost of living.

### Reagan Warns **Air Controllers Against Strike**

Reagers
WASHINGTON — President
Reagen warned federal air traffic
controllers Sunday that the administration would "come down with the full force of the Justice Department" if they went ahead with a

nationwide strike on Monday.

Transportation Secretary Drew Lewis, arriving for the resumption of talks with the Professional Air Traffic Controllers' Organization, said he had spoken to Mr. Reagan about the strike, which is

set for 7 a.m. Monday.

"The president told me 'There will be no amnesty.' "he said.

Mr. Lewis said he had "a sense of hope" about the last-minute attempt to avert the strike. If the controllers' representatives made any "near reasonable" offer, the government will ask for seven days

to review it, he said. Senior Cabinet members also warned the controllers that the Reagan administration would not tolerate the chaos of a strike. It is illegal for federal workers to strike. Federal authorities have a contingency plan for regulating air traffic in the event of a strike.

### Packed Airlines Pay Passengers

LONDON — Pan American World Airways and British Airways paid £25,000 (\$46,000) compensation to hundreds of U.S. and British tourists stranded by the overbooking of trans-Atlantic flights, an airport spokesman said Sunday.

The airlines offered \$200 in cash or \$300 worth of transportation Sunday to hundreds of passengers jamming the intercontinental terminal at London's Heathrow airport if they would surrender their seats and travel later. The payments were made under interna-

tional "denied boarding" rules. There has been some double booking," a Pan Am spokesman said. "The situation has arisen because a large number of Americans decided to stay on for the royal wedding. Their journeys have coincided with school holidays in Brit-

ain and a rush of British tourists to

Reach out and touch someone

surcharges reasonable, go ahead and

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savings are considerable.

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Always check to see whether the

follow these tips. And a lot of gas

when you travel by jaunting cart.

country you're in has lower rates at

night and on weekends. Usually the

You'll save a lot of green when you

Bell System

# **Senate-House Panel Clears Way for Vote** On Reagan Tax Cuts

By William J. Eaton

during the weekend for final congressional approval of the largest tax cut in U.S. history.

However, a protest by Sen. Edward M. Kennedy, Democrat of Massachusetts, who called the compromise measure on Saturday a \$32-billion "midnight raid on the Treasury" by the oil companies, delayed Senate action until Mon-

The House was scheduled to consider President Reagan's tax bill on Tuesday and presumably send it to the White House so it can be signed into law by

#### Difference Is Split

The compromise bill split the difference between Senate and House cuts in oil taxes, cracked down on tax-avoidance schemes known as commodity straddles, and increased tax credits for child care expenses.

"It's a good bill, about 95 per-cent of what the president want-ed," Secretary of the Treasury Donald T. Regan said Saturday. The central part of the bill -President Reagan's 25 percent, three-year, across-the-board per-

sonal tax cut - was never an issue in the 14 hours of deliberations. Faced with Sen. Kennedy's threat of a filibuster that could deizy the start of the congressional recess, the Senate agreed to put off a vote until Monday instead of trying to rush the measure through by voice vote Saturday night.

#### Roll Call Monday

In addition, it allowed for a roll call Monday on Sen. Kennedy's move to take out the oil-tax cuts from the bill in return for his decision not to use the filibuster tactic.

Sen. Kennedy, in a statement issued Saturday by his office while he was in Massachusetts, said that he was not trying to block passage

of President Reagan's tax cut. "What I do oppose is the \$32 billion pot of gold for Big Oil that has now been tied to the tail of the tax bill," he said, referring to the oil provisions and the estimates of revenue losses for the next 10

"It is an unfair and unnecessary giveaway that should be stripped from this measure before it is sent to the president for his signature,"

#### Sen. Kennedy added. 'Mom and Pop Operations'

of Kansas, the chairman of the Senate Finance Committee, defended the oil tax breaks, saying that they apply mainly to "little lion for 1980 rose to \$661.4 billion Newt Gingrich of Georgia, argues operations, inde pendents, with three or four employees, who are struggling to make a living on two barrels of oil a day.

Some Republican senators were unhappy over Sen. Kennedy's absence from the unusual Saturday night session and the resulting postponement of a final vote on the tax bill at his request. "It's not right for the Senate to

be inconvenienced by one member who is not even present," Sen. Dole snapped.

The special tax breaks for the oil industry have been the biggest obstacle to agreement in the confer-

ence committee negotiations. The Senate had approved \$19.9-billion worth of oil-related cuts over the next 10 years, compared to a \$46-billion reduction in oil taxes in the House version. The conference committee decided to approve \$11.7-billion worth of tax breaks for oil producers and own-ers of oil land over the next five years — about midway heween the 5-year cut of \$16.9 billion in the House bill and \$6.57 billion in the

#### Senate measure. 'Stripper' Wells

The bill exempts low-yielding "stripper" wells owned by inde-pendent producers from the wind-fall profits tax and reduces gradually, from 30 percent to 15 percent the tax on oil from fields that be-gan producing after 1978.

It also provides a \$2,500 credit this year for owners of lands who get oil royalties. This credit would change to an exemption for two barrels of oil a day in 1982, 1983 and 1984, equal to a credit of about \$8,000 a year, and then go to a three-barrel daily exemption in 1985, which would be worth about \$12,000 a year as a tax credit.

Overall, the bill would lower personal and business taxes by an estimated \$750 billion in the next five years, with \$550 billion in reductions for individuals.

The negotiations by seven sena-tors and eight members of the House resolved a series of differences between the Senate and House in major tax provisions.

Highlights of the agreement: • Child care. The tax credit for child care expenses of working parents, now limited to a maximum \$400 for one child and \$800 for two or more, was increased

#### Asian Grain Loss Put At 200-Million Tons

BANKOK --- Pests will destroy an estimated 200-million tons of grain in Asia during the 1981-1982 crop year, or about 19 per cent of the production, a United Nations regional organization said Sunday.

The lost grain would have fed the whole of Southeast Asia for seven years, according to the UN's Economic and Social Commission for Asia and the Pacific.

considerably, starting in 1982. Under the compromise bill, a worker WASHINGTON — Senate and with an income under \$10,000 a House negotiators, after working year will be eligible for a maxiall night to settle a dispute over multibillion dollar tax breaks for the oil industry, cleared the way during the many cleared the way ually as incomes rise, so a family with \$30,000 income would get a maximum credit of \$480 for one child and \$960 for two or more.

• Home sales. A person over 55 vears old. or a severely handicapped person, will be able to ex-clude from taxes up to \$125,000 in profit from the sale of a home, retroactive to July 20. The limit has been \$100,000, applicable only to those over 55. The bill also will extend to 24 months, instead of 18 months, the time in which a person of any age has the chance to avoid a tax on home-sale profits by using the proceeds to buy a new home that cost at least as much as the home that was sold.

• Retirement. Starting next year, any worker will be allowed to avoid taxes until retirement on up to \$2,000 a year invested in an Individual Retirement Account (IRA). The present limit is \$1,500, and IRA's are now available only to workers who are not covered by a company pension plan.

• Commodity straddles. The bill forbids schemes to avoid taxes through so-called commodity straddles, and applies this ban to professional commodity traders,

Charities, Individuals who do not itemize deductions will be allowed a special deduction of up to \$25, starting in 1982, for charitable contributions. The amount will rise each year until 1986, when contributions of any amount will be deductible by nonitemizers.



A PORTRAIT - President Reagan and Vice President Bush in the official portrait.

# Several Democrats in House Exploring Party Defection, Republican Chief Says

ity of changing parties. "Whether

By Margot Homblower

Washington Post Service
WASHINGTON — In the aftermath of President Reagan's spectacular victories in the nominally Democratic House, several Democratic representatives are consider-ing a switch in party, according to Republican leader Robert H. Mi-

chel of Illinois. Rep. Michel claims be has met recently with several conservative Democrats who voted for Mr. Reagan's tax and budget programs

seems lasting on economic issues.

But it has depended not only on

the dramatic Democratic defec-

tions (48 on the tax vote) but also

on Republican unity (147-1 on that

same vote). That near-unanimity

on the tax and budget votes is like-

ly to be hard to match for the

Clean Air Act or the Voting Rights

Act or on arms for Saudi Arabia.

Democrats, Rep. David R. Obey

of Wisconsin, sees in those issues

that could be called a victory.

that those contests do not have to

hurt the president. The time has

come, he contends, for Mr. Reagan

to "declare victory," develop next

year's agenda and stay above most

congressional battles this fall. The

exception is Social Security. But he

maintains that Mr. Reagan and the Republicans can "bludgeon the

Democrats into a bipartisan solu-

Visible Key

success was Mr. Reagan's televi-sion speech, followed by both or-

chestrated and spontaneous tele-

phone calls by the hundreds. But

Senate conference to get most of what Mr. Reagan wanted to begin with. But the risk paid off.

There are some plausible hopes left for the Democrats, Peter D.

Hart, one of their chief pollsters, said, "It's Ronald Reagan's econo-

my now" — meaning that in the 1982 congressional elections he

must take full blame for the fail-

ures of his plan. That is true enough, but first it has to fail.

Accord on U.S. Overseas Taxes

Compromise Would Allow \$75,000 Exclusion for '82

The visible key to last week's

# Reagan Tax-Plan Victory Held to Alter U.S. Politics

(Continued from Page I) Reagan has changed the course and direction of government more than any president" since Franklin

That may not be exaggeration. But even so, Mr. Reagan's breathtaking political dominance is not total. It has not prevented the House from hamstringing Interior Secretary James G. Watt over oil drilling and strip-mining or sena-tors from nipping at William J. Casey, director of central intelligence.

## Reagan Gets Sen. Robert Dole, Republican Kansas, the chairman of the

(Continued from Page 1)

by the end of fiscal 1981, an increase of nearly \$100 billion. By way of contrast, the spending target for 1982 is only \$34 billion over the 1981 ceiling. "No other exercise in fiscal re-straint comes close," said Sen. Pete V. Domenici of New Mexico, Re-

publican chairman of the Senate Budget Committee, as the House-Senate budget conference — a record assemblage of more than 250 conferees meeting in 58 groups — wrapped up its work last Wednesday.

The House Budget Committee chairman, Rep. James R. Jones, described it differently, "We're not just cutting fat," said Rep. Jones, an Oklahoma Democrat, asserting that the cuts will have a direct and democrate investors and believe of damaging impact on the lives of

millions of Americans. But even the Democrats acknowledged that the bill made history. "What is before the House is historic," said Rep. Leon E. Panetta of California, one of the Democrats' budget experts. "It is historic in terms of its impact on people and their relationship to govern-ment. It is historic in terms of its

impact on the budget process The Democrats ended the day Friday with only one political trophy — a House vote for legislation to restore the \$122-a-month mini-mum Social Security benefit for those currently receiving it. Even that victory was marred by the fact that the Senate, over futile protests from Democrats, put off consideration of the proposal until Con-gress returns from its five-week ner recess, which starts next

The Democrats seem to be limiting their battle now to the Social Security issue, where they expect the first backlash against Mr. Reagan's cuts.

International Herald Tribune

WASHINGTON — Americans living and working abroad could exclude from U.S. taxation up to \$75,000 of their 1982 income as well as housing

costs in excess of about \$6,100 under compromise

The income exclusion would thereafter increase by \$5,000 a year until it reached \$95,000 in 1986.

In a session lasting all night, the House-Senate

conference committee agreed Saturday to the House version of the overseas taxation rollback,

which applies to Americans living abroad 11 out

The Senate is expected to approve the omnibus

tax-cut bill that includes this provision on Mon-

day and the House on Tuesday. President

Reagan, who has fought for the tax-cut measure,

That action would mark the end of three years of sharply higher U.S. taxes levied on Americans living and working abroad, which critics said con-

tributed to the deterioration of U.S. exports and

of 12 months.

is certain to sign it into law.

legislation approved by House-Senate conferees.

any would want to actually change their registration before the next election — it's their privilege," ne said. "I wouldn't be surprised if there were a couple who might want to do that."

making any public announcement. Texas Democrat Charles Stenholm, coordinator of the Conservative Democratic Forum, a loose coalition of House members who tend to vote with Republicans, said Saturday that he has not heard any serious talk about switching parties. He added, "The frustrations are very deep among conservative Democrats about the direction in which our party is going. We ought to be coming up with a new game plan. Our old one The presidential ascendancy is bankrupt.

Democrats outnumber Republicans in the House 244 to 191, but the Republicans hope that if they can narrow the gap in 1982 elections, enough conservative Democrats could be persuaded to change parties for House control Rep. Michel would not identify the Democrats he said have spoken to

#### Problem of Seniority

One of the shrewder House Although he said he is encourag-ing the talk, Rep. Michel is pesand in budget deficits and Social Security, the central opportunity for the Democrats to define themsimistic that seniority compromises could be made midway selves. He thinks they should abandon "the inside game," the efthrough the two-year congressional session. "It's easier to do at the befort to tilt Mr. Reagan's way on ginning of a Congress when you budget and taxes to win something are organizing," he said Friday. Republicans would have to be persuaded to give up committee seats or seniority in favor of the new ar-

"It's a sticky wicket," Rep. Mi-chel said, but he left open the possibility that it could be orchestrated in a few cases. "There would be just a couple you can take care of

to some degree." he said. Reps. Phil Gramm and Kent R. Hance, the two Texas Democrats who co-sponsored Mr. Reagan's bills along with Republicans, said they have not discussed switching parties and have no such plans despite talk among some Democrats that they should be thrown off their committees for deserting their party's position. "There are going to be a lot more issues down the road," Rep. Hance said. "To think that two or three votes are the only votes of the session is un-

before that, there was an unhesitatingly bold strategy that spurned compromise and willingly raised the stakes. realistic.' The so-called bidding war, of of-Rep. Gramm, whose district, like Rep. Hance's, voted for Mr. Reagan in the 1980 election, said, "At this point I still hold out some fering tax breaks for extra votes, was not an equal test at all. While the Democrats bid with benefits that they regretted, especially the tax breaks for oil, few of his side's hope of moving the Democratic Party back to the mainstream." He add-ons were items that Mr. Reagan dislikes. added, however, that if the Democrats decide to discipline him, "I'm Mr. Reagan even called a Texas not going to take kindly to it. I'm a radio station to ask for phone calls conservative, but if the day comes to get a congressman's vote. It was a course that carried more risk than a more normal Washington approach: that of spurning the bidding contest, denouncing the Democrats for dealing with special interests and relying on a House-

when I can't represent what I be-lieve in, I'll go back to teaching school or I'll change parties."

Other conservative Democrats also denied speaking to Rep. Mi-chel. Rep. Dan Daniel of Virginia said he plans to remain in his party because of seniority and subcom-mittee chairmanship. Rep. G.V. Montgomery of Mississippi and

#### 2 Japanese Miners Safe United Press Internati

TOKYO — Two Japanese coal miners trapped for 13 hours more than 2,000 feet (620 meters) underground in northern Honshu were rescued Saturday, authorities said.

consequent unemployment at home. They say it

forced a number of overseas Americans to return

home while being replaced by foreign nationals who tended to procure equipment and supplies from outside the United States.

The conference approval of the overseas tax provision was hailed by Maurice Mosier, president of the National Constructors Association.

representing 55 heavy industrial construction firms, many of which had employed thousands of Americans on overseas building projects.

Mr. Mosier said he expected final approval of the bill would reverse the trend of using "third-country" nationals to replace American workers

abroad. "We feel that we will commence rebuild-

ing the orders and purchasing that has been

lost to the United States in the domestic market

for capital goods and equipment used on con-struction projects overseas," he said. "It will be a difficult rebuilding process but we believe

### through Congress a proposal for an air-based missile, especially since the idea "has already been planes with their 100 missiles another Democrat said. If there are, however, nobody is U.S. House Votes for Pension Minimum

Rep. Charles Roemer of Louisiana

said they had not heard any talk of

switching. "It may be wishful thinking on the part of Michel,"

WASHINGTON - In one of the first congressional defeats this year for President Reagan, the House has voted overwhelmingly to preserve the minimum Social Security benefit for the 2 million retired people it now protects.

The House vote on Friday was 404-20. The legislation went to the Senate; where no action is expected until the end of the summer recess in September. A number of senators of both parties favor re-taining the minimum, but the House bill may be put aside in favor of broader action.

Only 17 Republicans - including the floor leader, Rep. Robert H. Michel of Illinois — and three Democrats voted against retaining the \$122-a-month minimum.

Although Congress has ex-pressed general disapproval of Mr. Reagan's proposals to reduce Social Security benefits in several symbolic votes, Friday's action was the first time either house had defeated one of the administration's measures outright.

proved, as part of a mammoth is regarded as virtually certain that budget package, Mr. Reagan's pro-omnibus Social Security legislation posal to end the minimum benefit being prepared in both houses will for the future and for all present cover restoration of the minimum recipients. Thus Friday's House vote took the form of repealing a section of that budget legislation.

If the Senate does not take ac-

Washington Post Service

WASHINGTON - President

Reagan is prepared to recommend

replacement of the disputed land-

based MX missile system with an

even more controversial proposal

for putting the missiles aboard air-

planes for aerial launching, ac-

cording to administration and in-

dustry sources.

Edwin Meese 3d, the White
House counselor, said the presi-

dent had made no decision. But

Mr. Meese gave a strong clue to

the administration's fundamental

opposition to any land-based MX

system with this comment: "As the

president said in the campaign and

as said since, he is concerned

about a basing mode that would

severely damage the environment of several Western states."

The proposal, called Air Mobile,

is likely to provoke significant op-

position from the Air Force, which

considers the proposal technologi-cally deficient, as well as from mil-

itary-oriented congressmen who

point out that an airborne missile

system has been considered and re-

jected by three prior administra-

tions. And it could provoke severe

political opposition in European countries that are being asked by the United States to accept land-

based missiles.
Sen. John R. Tower of Texas,
Republican chairman of the
Armed Services Committee, said it

would be "very difficult" to get

U.S. Rocket Launch Postponed to Monday

VANDENBERG AIR FORCE BASE, Calif. — The launch of the most powerful Delta rocket ever sent aloft from Vandenberg Air Force Base was rescheduled for early Monday after a third post-

The Delta rocket, with nine engines producing 500,000 pounds of thrust, will carry two satellites de-signed to study how energy from the sun interacts with space around the Earth, a space agency spokesman said. Winds in the upper atmosphere caused the latest aunch postponement Saturday.

Both houses have already aption on the repeal bill in the fall, it benefit or some other form of assistance for those who now receive

Planes May Replace Land Bases

should continue to look for alter-

delay our ongoing intercontinental ballistic missile program in the

Defense Secretary Caspar W. Weinberger denied Friday that any

final decision had been made.

Well-informed sources in his own department and elsewhere in the

administration said Mr. Wein-

berger was about to recommend a

complete strategic package to the president that would include devel-

opment of a new manned bomber

that is a variation of the B-1 bomb-

er canceled by President Jimmy

White House sources said devel-

opment of the manned bomber could be announced as early as

mid-August while the president is

vacationing in California Mr. Meese and Mr. Weinberger said no decision had been reached on

whether to announce the various

elements of the strategic package

separately or whether to do it at

The administration sources who

would replace the land-based

described the package Friday said

MX system, advocated by the Carter administration and op-

carrier administration and op-posed by the Mormon church,

with an airborne system that would initially include putting the

MX intercontinental ballistic mis-

process."

Since 1939, contributors to the Social Security system with enough working quarters to qualify have received a minimum benefit on retirement, even if their past wages and tax payments would indicate a lower benefit.

Technically, 3 million now qualify for the minimum, but a million of these would not suffer any reduction in benefits if it were abolished because each of them actually receives a higher benefit as the dependent spouse of a retired worker and would continue to do

David R. Gergen, the senior White House spokesman, said that Mr. Reagan would support legislation to help the 300,000 "truly needy' among those now receiving the Social Security minimum, but said he opposed full reinstatement of the minimum.

For MX Launch Under New Plan studied and discarded by the experts." Sen. Tower added, "We of air bases throughout the counof air bases throughout the country for takeoff at the first sign of a natives, but we must not further Soviet attack.

While this interim airborne system was being deployed, perhaps as early as 1986, research and development would continue on three long-range systems that Pentagon planners hope could eventually replace the converted tran-sports. One of these is a new airplane, known as "Big Bird," which would be specially designed for the 250,000-pound (112,000-kilogram) MX missile, though some question whether this is technologically fea-

Other options include the following:

 A revived anti-ballistic missile (ABM) system to protect Minute-man siles into which MX missiles would be placed. The Soviet-U.S. arms limitation treaty of 1972 prohibits only limited use of ABMs. An additional option, known as "Hard Tunnel" or "Citadel," would be to place missiles in subterranean tunnels at depths of 3,000 feet (900 meters) or greater.

• Deployment of an interim bomber, similar to the B-1 that Mr. Carter decided not to build, while work continues on the more advanced Stealth aircraft. This proposal is favored by Sen. Tower, who said he knew of no definite support at the Pentagon for the Air Mobile plan and of no one in the administration who has "come out flat-footed for it."

• Deployment of an advanced heavier version of the Trident seaborne missile, known as D-5. These missiles are far larger than present Trident missiles and are believed to be 60 percent more accurate, meaning that fewer would

#### **Political Problems**

The plan to put MX missiles into C-5A transports both solves and creates political problems for the administration. Scrapping of the land-based system will make points in the president's base of Western states and may make it easier to hold down military outlays in the next two fiscal years, even though the plan could ultimately be more expensive than the \$35-billion land-based program. But Air Mobile also invites far

greater damage from a hypotheti-cal Soviet attack, because the planes would be deployed over population centers. One Defense Department study estimates U.S. population loss at 5.9 million in a Soviet attack against the land-based MX and at 11.3 million in an attack against Air Mobile MX

The estimated differences become staggering in the hypotheses of a second nuclear exchange — 6.1 million people with the land-based MX and 67 million to 93 million with the Air Mobile sys-

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Page 4 Monday, August 3, 1981 \*

# Mr. Reagan's Economy

President Reagan's budget bill, with its gigantic catalog of spending cuts, has now been passed by Congress and is on its way to the White House. Final passage of his tax bill is similarly assured, probably within the next several days. The Reagan economic program is no longer future, conditional and speculative. It's here.

This moment culminates a long turn in the direction of U.S. politics. The earlier stages saw the declining confidence among Democrats in their own purposes, and the immobilization of the last administration as each of its good intentions collided with all the others. It was clear last winter, in contrast, that the Reagan administration enjoyed the large tactical advantage that goes to people not much troubled by inner doubts.

The great surprise of the spring and summer has been the extraordinary vigor and audacity of the Reagan White House. To have committed itself to the rapid passage of such complex legislation was, by any measure, extremely daring. There were probably not many people who expected more than a much compromised and delayed outcome. As a feat of legislative engineering, the victory is spectacular. It is difficult to think of another bill that has touched as many different subjects as the budget reconciliation bill that Congress completed on Friday — less than three months after it began.

But for all of the administration's skill and stamina, it has been able to move with such speed only because nearly everyone in politics, adversaries as well as its friends, recognizes a deep and widespread sense of public exasperation with the way things had been going — with, as the president calls it, the economic mess." But what, exactly, do people mean by the economic mess? Most of the country remains very prosperous.

Many people mean inflation when they speak of the mess. Many also mean slow economic growth, and the failure of incomes and

living standards to rise as fast as they used to. For some people, particularly in the steel and automobile towns, the term "mess" is an expression of resentment against rising foreign competition. The Carter administration was destroyed by its inability to make firm

choices among these conflicting claims. In theory, the Reagan program is going to remedy all of these various kinds of distress without requiring choices among them. In practice, it won't be so simple. As the program now stands, it is indeed likely to lead to a faster expansion of business and employment - particularly with the force of rising military spending behind it. But the prospect of bringing down inflation at the same time is, to put it mildly, uncertain. Those two things, rapid growth and declining inflation, have never been accomplished simultaneous-

The greatest virtues of the Reagan program, as it is embodied in these two enormous money bills, have little to do with money. These bills dispel the atmosphere of futility and stalemate that gathered around U.S. economic policy throughout the 1970s. That's a healthy change, for reasons that run well beyond economics. These bills dramatically reassert political control over much that previous presidents, with many shrugs, had abandoned as uncontrollable. That's equally

But as a statement of social policy, the tax bill in particular, with its implication of widening differences among economic classes, falls well short of the standards that U.S. traditions had previously established. The Reagan administration argues that these bills will generate a wave of prosperity bringing greater benefit to even the most impoverished Americans than direct government intervention ever did. That's a fair test by which to judge the period that begins with the signing of this legislation.
THE WASHINGTON POST.

# Cassandras Confuse the Debate

By Willy Brandt

BONN — The many self-styled Cassandras on both sides of the ocean would make people believe that the Western alliance hardly has a chance of survival. This could have se-rious consequences if Western misrepresentations led to Soviet misjudgments. I hope it will

not.
The voices of doomsday foresee not only the progressive de-cay of NATO's defenses, but also an unavoidable collapse of democracies in Western Europe, including what they care-lessly call "Finlandization." This is not realistic. It also misuses the name of a brave little democracy in northern Europe.
The destructive pessimism of

these conservative critics tends to paralyze discussion between the partners of our Western community. It already has confused the debate in various

Leonid Brezhnev and his colleagues in the Soviet leadership, as I learned firsthand recently, are seeing things differently.
They do believe in the strength
of NATO. They show little
doubt that the United States and the combined forces of Western Europe would be able to destroy their empire. They seem to fear the consequences of military cooperation be-tween the United States and

#### Modernization

And they claim that the massive buildup of their SS-20 medium-range missiles is a product of modernization, rather than an element of strategic imbalance.

Whether the Russians are trying to deceive the West or themselves, their ongoing installation of SS-20s with probably some 750 warheads is a very serious problem for Western Europe. It would be even if there had not already existed a strong Soviet position in landbased Euro-strategic weapons. Unfortunately, this was not

ONDON — The campaign to

be the next secretary-general of the United Nations is well un-

der way. But exactly what is it that

the new secretary-general will head

made part of SALT-2. But warnings were given at various times in the last three or four years. In December, 1979, NATO decided that by the end of 1983 new U.S. nuclear weap-ons would be deployed on Western European soil and that U.S. Soviet negotiations would

NATO did not foresee how the timetable would be influenced by U.S. elections. But there should be no confusion about this simple fact: The Europeans were told that negotiations might influence the arma-ments decision. Many Europeans would not be satisfied now if they were informed that there was no possible linkage or just not enough time, and that since the Russians would demand the negotiations also to include the forward-based systems, the deployment of Pershing-2s and Cruise missiles had

#### to take place in any case. Deployment

Whether or not they are going to be deployed will have to depend upon serious negoti-ations. If at all possible, we will have to convince the Soviet Union that its readiness to change earlier decisions will determine whether or not new rounds of the arms race will be started. In other words, the Soviet Union will have to reduce drastically its Euro-strategic systems if it wants to avoid the deployment of new U.S. arms in Western

Europe.
This is more or less what I told Mr. Brezhnev and his colleagues. Their answers and proposals should be studied carefully both by our experts and by those who carry political responsibility.

I am aware that the president of the United States and his administration, Congress and the U.S. people are facing hard and costly decisions, not least in the military sphere. But when we follow discussions on a sea- or air-based solution for the MX system, for example, we feel that our American friends will understand some of the worries and anxieties in Germany, Hol-

It is, of course, not impossi-ble that the long and complicat-

ried further.

The leaders in Moscow are struggling with severe prob-lems. The tensions within their system are grave. Our troubles sometimes look comparatively harmless. We in the West are stronger than many commentators are willing to admit. Do they, for example, realize that West Germany alone can call into service 1.2 million welltrained and equipped men within 72 hours?

partner, but it obviously needs peace. Its leaders need detente, and so do we in order to live up

Leadership and the UN: Time for More Initiative?

By Jonathan Power

land, Belgium, England and elsewhere, old and young, con-servative and Social Democrat.

All are deeply afraid of the dangers that could emerge from the addition of the Pershing-2 and Cruise missiles to the exist-ing thousands of nuclear warheads that are stored on the terntory of the Federal Republic of Germany. This is why people insist so passionately on explor-ing every single opportunity of negotiations with the Soviet leaders.

ed talks will lead to nothing. The Soviet Union seems to suf-fer from a deep-rooted complex of uncertainty. The degree of security it is longing for seems to surpass rational limits. This leads to a vicious circle: Any measure taken to improve security reduces it at the same time that it calls forth counter-

By no means can we be cer-tain that an early encounter between Mr. Reagan and Mr. Brezhnev would break this spell. But it could be a begin-ning. In any case, in the interest of survival, SALT has to be car-

#### Necessities

The Soviet Union is no easy to the necessities of our soci-

They shared the basic values of a free society, and they believed in the construction of a political concept that we can share whether we are conservative,

liberal or democratic Socialist. Their moral determination was a protection of our liber-ties, and their passion of peace provided NATO with the trust of our peoples. Only the seed of doubt cast by the new militant cold warriors could shake our confidence in these basic and common values.

The writer was chancellor of West Germany from 1969 to 1974 and remains chairman of the ruling Social Democratic Party. He wrote this article for The Washington Post-

# Uncertain Signals in Nicaragua

International Opinion

In the International Edition

The foundation is beginning to crack in the halfway house that is Nicaragua. Three fissures seem particularly unsettling. The main opposition newspaper, La Prensa, was recently closed for two days, in what was clearly a warning pour les autres. By widening state control over exports and the private sector, the Sandinist-led junta is jeopardizing an alliance that has brought Nicaragua domestic tranquility and foreign support. And there has occurred a Soviet-supported military buildup, only partly justified by fears of an exile invasion from Honduras.

Yet, democratic and free-market advocates in Nicaragua refuse to give up the fight. The dattle for a free press, for elections and political pluralism continues as the revolutionary regime enters its third year. The persistent struggle is all the more remarkable since the Reagan administration decided in April to suspend aid that had been expressly designed to bolster the private sector.

Libya then obliged with a \$100-million loan. Despite its economic straits, Nicaragua invested heavily in an army of 40,000 and a militia of 200,000. Cuba has supplied more advisers and the Soviet Union is now providing weapons, including tanks, according to a junta spokesman. Even conceding security fears, there were less provocative sources for military supplies.

If this were the whole story, Nicaragua could now be labeled a Soviet-bloc dependency. But the label doesn't quite fit, as administration officials acknowledge. The coalition that overthrew Gen. Anastasio Somoza produced no domineering figure, like Fidel Castro. Power in the three-member junta and

Barely six months into his presidency, the

Reagan economic revolution is on the road.

The cue-card slogans -- cut taxes, slash state

spending, boost defense and shed the shac-kles of government interference — have been

translated from election rhetoric into bills

and budgets and majority votes. In an Amer-

ica where presidents only yesterday seemed

powerless prisoners of an over-complex polit-

However, the acclaim with which this pro-

gram has passed through both the Republi-

can-controlled Senate and the Democrat-

controlled House of Representatives cannot

disguise the fact that it is a distinctly conten-

tious and high-risk scenario. As with British

Prime Minister Margaret] Thatcher's not dis-

similar approach, its economic assumptions

have been vociferously questioned at almost

every point; so too has its underlying morali-

But the most serious doubts of all could be

social. Despite the many disclaimers, Reaga-nomics is for the rich ... Unless the medicine

Seventy-Five Years Ago

August 3, 1906

NEW YORK - In the course of their search for a

man who called himself Lord Douglas and who

has married a number of American girls, after-

wards robbing and deserting them, the police of Portland, Maine, on Tuesday arrested a man

known merely as S.G. Douglas, who, with his wife and son, occupied a cottage at Sebago Lake,

near Portland. The man who was arrested de-

clared he was Lord Sholto Douglas, a brother of

the Marquis of Queensberry. The arrest followed

advices from Asheville, North Carolina, where

the "bogus" lord recently married a highly re-

spected girl, Miss Josephine Hood, whose

mother has been prostrated with grief ever since,

having received 10 tidings of her daughter.

ical system, it is a stunning performance.

Best Wishes

nine-member Sandinist directorate is checked by continuous argument. Nicaragua's young leaders are intolerant but not yet ruthless. Critics are harassed but not wholly silenced or tortured, as was common in the

The relative civility of the revolution is among its vital assets. It has brought Nicaragua peace at home and moral credit abroad. Despite the strain with Washington, the Sandinist regime has been befriended by Venezuela and Mexico, and by European Socialists and Christian Democrats. This support would be jeopardized by a lurch to the Leninist left, as the junta in Managua is well

But if political constraints are still accepted in practice, the revolution's theory lags suspiciously behind. No timetable exists for the promised elections; pluralism is suffered rather than assured. Lacking a solid charter of rights, Nicaragua can easily drift back into repression.

These are arguments that the United States can and should make. But Washington does not help its natural allies in Nicaragua when it uses aid as a bludgeon. Some \$15 million was withheld in reprisal for the alleged smuggling of arms to Salvadoran guerrillas. The Reagan administration acknowledged a good-faith effort to halt the traffic, but the aid was not reinstated, relations worsened and Nicaragua is again accused of running guns to El Salvador. Thus did it turn to Libya, whose Col Moamer Qadhafi, you may be sure, won't be asking inconvenient questions about human and political rights. THE NEW YORK TIMES.

works, and quickly, its effect could be to turn

the U.S. into a much tenser, angrier and

more divided society than we have seen this

century. The rest of us, who can hardly re-

main untouched, must wish this extraordi-

nary, ambitious experiment the most speedy

After only just over six months in office,

President Reagan rides tall. For the moment,

at least, he has Washington at his feet. This is

tremendously good news for Europe and all

America's allies and friends. What they need

in the first place from any American Presi-

dent is that he should be firmly in command

That Mr. Reagan has now shown himself

indisputedly to be. His victory in getting a

Democrat-controlled House of Representa-

tives to pass his tax-cut bill by a majority of

43 votes (no fewer than 40 Democrats defect-

- From The Daily Telegraph (London).

Fifty Years Ago August 3, 1931

PARIS - Today's editorial reads: "Foreigners

since Marco Polo have played strangely large

roles on the stage of Chinese history. It was an

Englishman, 'Chinese' Gordon, who downed the

vast Taiping rebellion. Cables report that Morris

Abraham Cohen has been made a brigadier-gen-

eral in Canton and a member of the government

council, 'Cohen Moisha' has been close to the

fortunes of the Sun family for the last decade.

Sun Yat-sen, so often an exile, brought him back

to China more than a decade ago, and thereafter

Cohen was bodyguard to the Sun family. There

has always been some mystery as to his prove-

nance. Rumor had it that he left Canada because

his marksmanship was too accurate."

ed to his side) is unsurpassed.

- From The Sunday Times (London).

and spectacular success.

Riding Tall

on his home base.

# — a peacekeeping organization, a debating society or a bureaucratic conglomerate? The United Nations is everybody's kicking boy, but it's interesting how in a crisis the big pow-

ers can run to it. When the superpowers have talked themselves into a corner, they can as a last resort let the small powers at the United One such instance was the 1954 crisis over the capture of 17 U.S. airmen by China. Just as in the later Iranian hostage-taking, U.S.

opinion became extremely agitated. There was even some wild talk about the use of nuclear weapons. The United Nations was asked to intervene and Secretary-General Dag Hammarskjöld went to Peking to talk to Premier Chou En-lai. It took six months of negotiating, but the men were released. Dwight D. Eisenhower has a whole chapter in his book on the inci-dent, but the central role of the secretary-general is almost totally

It is the same in Robert F. Ken-nedy's book of the Cuban missile crisis. There is only a passing mention of U Thant's letter to Nikita Khrushchev, written in the face of the strong protest by the Soviet ambassador to the United Nations. Yet it was U Thant's letter that elicited a crucial response from Mr. Khrushchev indicating that there was room for compro

In Suez in 1956, in Lebanon in 1958, in the Congo in 1969, and in the 1973 Middle East war, it was the United Nations that provided an escape hatch for the big powers who had put themselves on a colli-

#### Fast Footwork

In the wake of the Yom Kippur war, although both the United States and Russia had agreed in principle to a cease-fire, there seemed no way of implementing it. The situation looked exceedingly dangerous. Egypt was calling for Soviet help; Richard M. Nixon put the United States on a nuclear alert. It was fast footwork at the United Nations, principally by a group of Third World countries, that helped break the impasse.

#### They pushed for a UN force to go in — and it was on the ground the next day.

Right now, the United Nations has five forces operating in various parts of the world. Three are in the Middle East, one in Kashmir and one in Cyprus. Although the United Nations is too often considered in the West to be weighted against it, the UN troops are serving very important Western interests in all of these cases.

One wishes, however, that the United Nations was more than the sum of its parts, that its secretary-general could take more initiatives and be more daring Brian E. Urquhart, the imaginative undersecretary-general who runs the UN peacekeeping operations, tells in his biography of Mr. Hammar-skjöld how it was that a man elected as a steady bureaucrat matured into a leader with a mystical feel-

He attempted to steer the Unit-

ed Nations into Laos in 1959 to success — Mr. Hammarskjöld's preempt military aid from the Spirit still hovers over the East United States and the Soviet Un-River building. When he died, he

ion. He hoped that once he got the principle of a UN presence established, it could be applied in the rest of Indochina. But the United States and the Soviet Union resisted his effort with ferocity. **Political Cost** 

He managed to get the United Nations into the Congo because both the United States and the Russians feared the developing anarchy and worried about the political cost of preempting each other. But when the Congolese govern-ment split, with the West and the East taking different sides, the UN effort nearly disintegrated. Mr. Hammarskjöld was considering resignation, when, in a final effort to resolve the secession of mineralrich Katanga (now Shaba), his plane crashed and he was killed.

Despite the failures — and the Congo was in the end a hard-won

spirit still hovers over the East River building. When he died, he had more detractors than friends. Now, with the passage of time, an influential but still small minority wonder if the United Nations needs a secretary-general who is more than a quick-repair man.

eties, our economies and our obligations to the Third World We must tell our counter-

parts in Moscow that the reduc-

tion of tensions is not out of

reach if they are willing to meet a series of clear expectations that have been or will have to be defined within our alliance.

We in the West are certainly

strong enough to enter early ne-gotiations. Contrary to a care-

less remark in Washington,

there is no lack of subjects and

substance for earnest debates.

If we fail the first time, we must

try again. We must try and try

and try.
We should start by talking

frankly and courageously

among ourselves. The founders

of our alliance did not merely

think in terms of a gigantic

Kurt Waldheim has been adroit and careful. As the Russian delegate said when asked if his country supported Mr. Waldheim for reelection, "The shoe fits." These are precious values in a turbulent and divided world. But it could also be the time to find another "genius," prepared if necessary to take some preemptive initiatives for peace. It's not just the political leadership of the United Nations that could be more daring but the adminis-trative, too. Does the world need the vast bureaucracies of FAO, Unesco and the rest with their featherbedding and retirement

Maybe it would be better to have a shimmer unified establishment with a few key departments to do the better things, with a group of wise thinkers floating around the top, much as John Maynard Keynes and Jean Monnet did in the old days of the League of Nations League of Nations. The United Nations is easy to

kick around, nearly impossible to recreate — would the U.S. Senate ratify the UN Charter in 1981? The organization, one hopes, is here to stay. Maybe it is mediocre in performance though in this case. the mediocre is not necessarily the enemy of the good. Undoubtedly however, it could be better. Would a new secretary-general help or hinder? That decision needs a little more thoughtful application than so far has been given it.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

# Sadat's Consciousness-Raising Task in U.S.

WASHINGTON — The Syrian W missile crisis, the Israeli bombing of Baghdad and Beirut and the fragile new "cease-fire" between the Palestine Liberation Organization and Israel across the ebanese border have sharpened Ronald Reagan's focus on the

But nothing is likely to do more to influence his thinking — or the course of U.S. policy — than the consciousness-raising he will undergo this week at the hands of a master: Egypt's shrewd, mercurial, impassioned, larger-than-life president, Anwar Sadat, whose visit to

Washington begins Aug. 4.
The hero of the historic Jerusalem breakthrough will be prepared to make Mr. Reagan an offer he may be hard put to refuse. Mr. Sadat will present himself as Mr. Strategic Consensus, even more acutely sensitive to the Soviet menace than Mr. Reagan himself. His list of worries will run from the Gulf across North Africa, southward to Namibia.

He will point to the Soviet "arsenal" in Ethiopia, the Libyan move into Chad, threats to Tunisia and Sudan — all in support of a pitch

for sustained U.S. economic aid (more than \$1 billion a year) and increased military aid (more F-16 aircraft, tanks, etc.). An offer of Egyptian bases for U.S. use under the most generous terms will be reaffirmed. "On stra-

tegic consensus," says one Egyptian official, "there is a complete commonality of views." But the price for Secretary of State Alexander M. Haig Jr. s "strategic consensus" against the Russians has to be some demonstrable progress in the Camp David "peace process" to resolve the Arab-Israeli conflict. This means resumption of the autonomy talks to provide self-deter-mination for the Palestinians on the West Bank and the Gaza Strip.

It also means (and here's the hard part) firm U.S. pressure to bring an end to what Mr. Sadat and other Arabs regard as calculated Israeli obstruction of that critical second part of the Camp David framework accord that has to do with the Palestinians. (The first part, well on the way to comple-tion, had to do with Israeli with-drawal from the Sinai, and the Israeli-Egyptian peace treaty already

linkage is accepted. At the White House — well, it was not too long ago that a European foreign minister raised with Mr. Reagan the question of the "Palestinian problem" and was plunged into despair by his response:

There is no "Palestinian problem," the president is said to have replied — it's a matter of "Arab refugees' who ought to have been assimilated by the Arab world years ago. Mr. Reagan was principally and the time with pally concerned at the time with forging some sort of common front between such unlikely collaborators as Israel, Egypt and Saudi Arabia against Soviet encroachment in the Gulf.

How far Mr. Reagan may have developed his thinking is hard to tell. What with one thing or another er — tax-cutting, the budget, Ot-tawa — he has been preoccupied. The old actor, they say, likes to take one part at a time. But now the Middle East is inescapably crowding in, with a heavy schedule of further visits by the heavies of the area (Israel's Menachem Begin, Jordan's King Hussein, and later, the Saudi Arabians).

In the view of many authorities

Mr. Sadat included — a confluence of events may just conceivably have opened up one of those fleeting opportunities for Middle East peacemaking that, if missed, will be a long time returning.

That will be Mr. Sadat's most important message. Merely by acknowledging a cease-fire. Israel and the PLO have significantly acknowledged each other. A more forthcoming mutual acceptance is a precondition, in Mr. Sadat's

At the State Department, the mind, to any Palestinian settle-

In the Lebanese crisis, a substantial Saudi role behind the scenes has finally caught that cru-cial country up in the peace process. That the Syrians would even talk to Mr. Reagan's special envoy, Philip C. Habib, is seen by the Egyptians as evidence of some moderation. Iraq's relative re-straint over the loss of its nuclear reactor is similarly viewed as a hopeful portent.

#### Support Diminished

Mr. Begin's capacity to deepen and expand his West Bank occupation at the expense of eventual "autonomy" is, in one sense, in-tact. But his hand is weaker, and his susceptibility to U.S. pressure is enlarged by his diminished political support from the American public, in Congress, within the American Jewish community. Or so Mr. Sadat is said to believe.

The time has never been riper. ays one Egyptian authority. If will become measurably less so if there is no Palestinian progress and the scheduled Israeli withdrawal from the Sinai by next spring begins to make Camp David look in Arab cyes more and more like a self-serving Egyptian "separate peace" with Israel

If this forces Mr. Sadar to see a need to work his way back into the good graces of his Arab brothers, the form this would likely take would not help consolidate the "strategic consensus" so dear to Mr. Haig and Mr. Reagan. That's a point Mr. Sadat will not hesitate

01981, The Washington Post.

# -Letters

#### The Moral Question

The discussion of nuclear weapon deployment (IHT, June 9) re-ceives a severe moral blow when you make reference to "conventi-onal nuclear warheads," as opposed to "neutron warheads," and attempt to gloss over questions of morality, which, in my opinion, provide us the alternative context to your proposed "legitimate de-bate" that leaders must impose upon their publics by sticking to the rational and informed levels. And how, pray tell, would you

qualify "preemptive moral outrage" (my term) at the ongoing arms buildups in both political blocs? And why do you insist on stating these problems "as simply as possible"? Your arguments about numbers of tanks and ground-support aircraft to sub-stantiate a "gap" in Western de-fenses do not provide the whole picture. You leave out anti-tank weapons, the quality of Warsaw Pact tanks, and above all the thenuclear-weapons postures.

(But there I go speaking like a mili-

tary strategist.)
You do state the truth of the matter: "Who is right? Nobody can be sure." In this context of incertitude, coupled with massive weapons deployments, that is, of high-risk-prone deterrence, the moral dimension awaits being activated, as unconventional as that may seem, our emotions having been numbed to the point of obli-vion. Which is where nuclear weapons take us in any event. Legitimately? Unemotionally? Regardless of the rights or wrongs of the outcome?

GREGORY BERGLAND. Vaugines, France.

#### The Jackpot

Re: "Six Months of Reagan," That's it gentlemen, you hit the jackpot! You guessed right with your surmise that the new adminis-

tration is the beginning of some-thing solid and big.

And if you could continue on

And thank God that there is at the moment, no strong and intelli-

gent Democratic opposition — this only would spoil everything. TIM BENNET.

this assumption, you might, in the future, be a bit more confident,

have a bit more trust in men like

Alexander Haig, or Ronald

# Herald- Tribune

Chairman

Co-Chairmen

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to make this week

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# Spain's Communists Re-Elect Carrillo in Rebuke to Kremlin

munism ideologically free of the Soviet Union, the Spanish Communist Party has confirmed Santi
Deputies, the lower house of parago Carrillo as its leader, a job he hament has held for 21 years.

The 10th party congress held Criticism in Praven against a background of ideological separation from the re-elected Mr. Carrillo as serve. Some Union over a speech in tary-general. Dolores Ibarruri, 85 what he reaffirmed the Spanish known as "La Pasionaria" in the party's ideological separation from Spanish Civil War, was rectected the Kremin. Party president. While the won only the Spanish congress, Pravda atday's elections to the party Central tacked his remarks on foreign policommittee, Mr. Carallo won only conditions.

Party sources quoted Mr. Carril-lo as telling a tense final session that there had been sharp discussions and serious clashes during the congress, but that he hoped the party would unite to implement the approved strategy and politics.

Younger members were given 18 seats on the new Central Committee, which was reduced from 166 to 104 members, party sources said. One candidate, Fernando Perez Royo, withdrew before the election, saying young militarits were underrepresented. In polls during the four-day gathering, they consistently won about 25 percent of the votes.

Opposition from another sector, the pro-Soviet hard-liners, brought to about one-third the number of delegates who abstained or voted against Mr. Carrillo's general report.
The congress was the second

since Spain's Communist Party emerged from its clandestine existence four years ago after the

#### Police in Frankfurt Seize 18 After Clash

FRANKFURT — Police de-tained 18 persons in Frankfurt af-ter clashes with demonstrators who were protesting the arrest last week of suspected urban guernillas, a police spokesman said.

Demonstrators in central Frankfurt overturned cars, broke bank and shop windows and crected barricades of garbage contamers after police moved to stop a march on Sapurday. About 1,500 demonstrators turned out to protest the arrest of six members of a leftist group called the Black Bloc.

By Joseph B. Treaster

New York Times Service

NEW YORK — A New Jersey man who served time in federal

prison with a man convicted of

spying for the Soviet Union is be-

after he escaped from prison.

eved by U.S. authorities to have

In affidavits filed in U.S. Dis-

trict Court in Newark, N.J., Thom-

as Kupferer, a chief inspector with

the U.S. Marshals Service, said he

also believed that the New Jersey

man, Frank Abbott Sweeney, 37,

could locate the missing spy,

for a California military contrac-

tor, and his boyhood friend, An-

drew Dalton Lee, were accused in

early 1977 of selling thousands of

CIA documents to the Soviet Un-

Both were convicted a few

months later. Mr. Boyce was sen-

tenced to 40 years in prison and

Mr. Dalton, who is still in jail, to a

his term. Mr. Boyce, 28, escaped him the federal prison in Lom-

Mr. Dalton and Mr. Boyce were

the subject of a best-selling book called "The Falcon and the Snow-

Suspect Arrested

session of two pistols. He was held

in the contody of federal marshals

ie Newark overnight and then re-

sed Friday on a \$250,000 bond.

From laze 1977 to early 1978.

Mr. Sweeney, imprisoned on a

1976 mail fraud conviction, and

Mr. Boyce were in the same

cellblock at the federal prison on

Terminal Island near Los Angeles.

Mr. Sweeney was released in 1979.

Losspoc, authorities began to

Securey.

Before Mr. Sweeney was arrest-

ed federal authorities asserted in

court papers that he continued "to

make active plans involving inter-

national travel which, it is be-

breed, will place him in proximity with the fugitive, Christopher

in May, 1980, the authorities

obtained two letters that Mr.

Sweepey had written to another in-

monitor the movements of Mr.

After Mr. Boyce's escape from

pec. Calif., in January, 1980.

Mr. Boyce, a code-room clerk

Christopher John Boyce.

MADRID - In a victory for election two years ago, it became

cy and the ideological basis of his policies. It expressed particular anger over Mr. Carrillo's arguments that superpower rivalries between the United States and the Soviet Union were the chief cause of international tension. Pravda said Mr. Carrillo had

"ignored a fact that should be obvious not only to Communists that the military threat comes from attempts by the U.S. to achieve military superiority at all costs." Referring to the Spanish party leader's critical remarks on Sovietstyle party systems, Pravda said he had failed to restrain himself from making superficial remarks about existing models of Socialism in which there is allegedly no de-

mocracy."
The Soviet press has frequently attacked the Spanish party over its Eurocommunist line, under which it maintains ideological independence from Moscow. But direct attacks on Mr. Carrillo have been

Prayda said the final part of Mr. Carrillo's speech had been a "cate-chism of Eurocommunism," outlining the concepts that separated the Spanish party from traditional Communist groups. These had included policies that put the Spanish party a long way from "real Socialism." Prayda said.

The Pravda report, clearly reflecting continued Soviet imitation with Mr. Carrillo, said both he and other party leaders had been subject to critical remarks from delegates. It said he had also come un-der five for failing to mention in his address that more than 60,000 members had left the party in the three years since the last congress - a rare admission in the Soviet press that a foreign Communist party is losing followers.

Early Election Threatened By Muldoon Over Rugby WELLINGTON, New Zealand stormed the rugby park at Hamilton on July 25 and fought with po-

THEY'RE OFF — An estimated six million French vaca-

tioners jammed highways across the country as the tradi-tional August holiday period began in Europe. This motor-

way scene outside Paris was typical as many left the city.

lice and rugby supporters.

Mr. Muldoon, speaking to the ruling National Party, said, "The law will be enforced." He said the on the future of the tour by the meeting Monday was "a last chance" to come to an agreement The three groups will meet Mon-day to discuss a Muldoon proposal on the tour.

"If necessary — and I hope it won't be necessary — I will go to the country on that issue and win," he said.

Mr. Muldoon's remarks indicated that if an election were called on short notice, he would attempt to rally support behind a law-andorder platform. The next regular election is scheduled for Novem-

#### Protests 'Politicized'

Mr. Muldoon said in the past week that the Springbok tour pro-tests had become "politicized" and had merged with "the continuous, never-ending protest of the ex-treme left." Escaped Spy May Have Fled to S. Africa

"Churchmen might still be in the front ranks of the demonstrators," he said, "but the extreme left has taken control of the move-

to help them protect the Palmerston North stadium, where the Springboks played the third match of their tour Saturday, The Associated Press reported.

were kept back by cordons of helmeted riot police, AP said. Antiapartheid demonstrations took place simultaneously in other New beat the local Manawatu team Saturday, 31-19.]

250 miles (400 kilometers) south of Auckland. The South Africans spent Sunday in Wangami, play-

# South African Black Nationalist Is Slain In Zimbabwe; Salisbury Blames Pretoria

we find proper."

By Jay Ross

Washington Post Service
SALISBURY — A veteran African nationalist fighting for black-majority rule in South Africa has been shot to death in his car outside his home in a suburb of Salisbery, according to police.

Joe Gqabi, 52, the head of the

bir. Sweeney was arrested last Thursday at his home in Closter, N.J., and charged with illegal pos-African National Congress in Zimbabwe, was killed Friday night. Zimbabwean officials blamed the slaying on the South African government. They promised to contin-ue supporting the ANC.

Mr. Ggabi's murder was the first known violent incident in Zimbabwe involving the congress, which was responsible for several bombings in South Africa last

### Uruguay General To Be President

United Press International
MONTEVIDEO — The Council of State here has proclaimed renired Gen. Gregorio Alvarez as president for a three-and-a-half-year term beginning Sept. 1, and directed him to prepare Uruguay for its first elections since 1971. The unanimous action Saturday by the 43-member council ratified a decision made Friday by the mil-

itary junta that rules Uruguay. Gen. Alvarez, 55, the mastermind of a military takeover in 1973, will succeed President Aparicio Mêndez, a 77-year-old conservative lawyer who has served since 1976. The general is to prepare the nation for new elections before his term ends in 1985.

### Malaysia Politician Freed

The Associated Press KUALA LUMPUR - The former chief minister of Malaysia's Sciengor state, Harun Idris, was released from prison Saturday after a pardons board reduced his sentence for bribery and forgery. Mr. Harm, 57, served about 322 years of his term, which was to have ended in 1984.

year. The killing will probably in-crease tension between Pretoria prompt a South African response. The ANC will only open offices if crease tension between Pretoria and Salisbury.

Police said Mr. Gqabi's bullet-riddled body was found in his car by his secretary. Eighteen spent cartridges were found in the driveway, and a .22-caliber Baretta pistol with a silencer was near the body. Police sources said two weapons were probably used.

Information Minister Nathan Shamuyarira said Mr. Gqabi was shot at point-blank range while driving out of the front yard of the house in Ashdown Park, a middle-class suburb 10 miles (16 kilome-ters) from central Salisbury.

"The government believes this

brutal act to be the dirty work of unscrupulous agents of the racist South African regime," Mr. Shamuvarira said

South Africa has launched an increasing number of attacks in neighboring Angola, Mozambique and Zambia in the last year, but its hostilities with Zimbabwe have been limited to words.

Prime Minister Robert Mugabe of Zimbabwe, trying to maintain a delicate balance between his need to support the African liberation struggle and his country's economic dependence on South Africa, has allowed the African National Congress to establish a low-profile presence in Salisbury, but has repeatedly said that no guerrilla activity would be allowed on Zim-

#### babwean soil. No Official Recognition

Unlike Zambia and Tanzania, Zimbabwe has not granted anti-South African groups any form of diplomatic recognition. They have no formal offices here.

The distinction seems to have been lost on South Africa, however. In May, South Africa's police minister, Louis Le Grange, said that if Mr. Mugabe continued to support the congress. "we will not stand by idly."

Prime Minister Pieter W. Botha strengthened the impression that it would not require guerrilla action from Zimbabwean territors to

GENEVA - The UN Law of the Sea conference, the most ambitious treaty-making effort ever undertaken by the world body, reconvenes here Monday with no assurance that it can escape the doldrums into which it was plunged by the advent of the Reagan administration. The Reagan administration's de-

cision to undertake a "sweeping review" of the tentative accords, reached last year after seven years of bargaining by as many as 163 nations, threw off stride the at-tempts to conclude the treaty this

While Washington studied the 440 draft articles prepared for the treaty, which would regulate use of the oceans and their resources, the conference mostly marked time at a seven-week session in New York last spring.

On the eve of reconvening the talks for another four- or five-week round, the conference's secretarygeneral, Bernardo Zuleta of Colombia, said he expected the United States to play a "more positive role" than at the spring session. Mr. Zuleta added, however, that only James L. Malone, the assistant secretary of state who heads the U.S. delegation, could say "how positive" that role would be.

Mr. Malone, a former California lawyer, was named by President Reagan to replace Elliot L. Richardson, chief Law of the Sea negotiator for the Carter administra-tion. At the end of the 1980 session, Richardson had given as-surances that it was "all but certain" that the treaty would be

signed in 1981. There has been no clear indication of what changes the Reagan administration thinks are needed to dispel the "concerns" that Mr. Malone has said the present pro-posals cause in Washington. In testimony before Congress in April, Mr. Malone said the review could not be "fully completed" before the talks resumed in Geneva.

A Southeast Asian delegate said Third World nations felt "strong resentment" over the way the Reagan administration had halted negotiations. But he said there was "no pessimism" at the start of the new talks. "We do not think it will be the same dry run we had in New York," he said.

There is no real expectation that the United States will be ready for substantive negotiations. "What we want is to see the United States more forthcoming on the problems it has, and firm assurances that it

Await Next Move by U.S. intends to see the negotiations through to a successful conclu-

Law of the Sea Delegates

the delegate said. Washington has indicated that its main objections concern the proposed treaty's provisions for mining cobalt, copper, manganese and nickel from the deep seabed. The poorer countries had used the treaty to stake a claim to a share of deep sea resources that they are not in a position to exploit.

U.S. companies account for a large portion of the hundreds of millions of dollars spent exploring ways of tapping this wealth, and Washington wants to ensure that their efforts are not frustrated by the international authority that the treaty would establish to regulate seabed mining.
One of the issues before the con-

ference is a so-called "grandfather clause" that would be inserted in the treaty to protect private investments made in deep sea mining before the treaty goes into force.

### Pinochet Allows Return of Exiles, **UN Official Says**

SANTIAGO - A United Nations spokesman says that President Augusto Pinochet's government is quietly permitting the return of up to 1,000 exiles per year.

Those returning are among thousands of Chileans who were expelled or left the country after the 1973 coup that brought Gen. Pinochet to power. Those allowed back must sign a document promising not to take part in politics or do anything detrimental to state security.

"On the average, you could say that about 200 families are returning each year. That could mean 800 to 1,000 persons," said Helmuth Langschwert, who heads the Chile office of the UN High Commissioner for Refugees.

The government began allowing exiles back on a selective basis in April, 1978, under, a general amnesty. In practice, those allowed to return had little to do with leftist

Mr. Langschwert said his office also helps arrange trips abroad for Chileans to visit relatives who cannot return. He said that about 500 visits are pending and "30 to 34 families travel abroad monthly for

# Amid Dissent, U.S. Panel Extends Vote Rights Act

By Robert Pear New York Times Service

WASHINGTON — The House Judiciary Committee has approved an indefinite extension of the Voting Rights Act after a bitter debate that fractured the bipartisan consensus on the bill.

Rep. Henry J. Hyde, an Illinois Republican who had made many sions to achieve a compromise, finally concluded that he could not support the bill being pushed by Democrats and civil rights organizations. Thus Friday's vote raised the prospect of a divisive fight on the floor of the

Civil rights advocates, although of amendments will be offered lat-

continue to require states with a history of discrimination to seek approval from the Justice Department or the U.S. District Court here for any change in election laws or procedures. The bill would set new standards for states trying to escape from this requirement. It would also, for the first time, permit counties to bail out independently of states.

went into exile. He came to Zimstate cannot escape coverage if the babwe almost a year ago with a Justice Department has successfulnumber of other congress memobjected to an election law change proposed by the state or

the act of every city, village, town, hamlet and county.

states, including Manhattan, Brooklyn and the Bronx in New

The Senate has not yet begun hearings on the Voting Rights Act. The chairman of the Senate Judiciary Committee, Republican Sen. Strom Thurmond of South Carolina, has said he is opposed to the law. President Reagan is not expected to announce his position until after Oct. 1.

### Spain Protests To France Over Farmers'Attacks

MADRID - Spain has protest-

foreign affairs, Carlos Robles Piquer, summoned the French chargé d'affaires to the ministry and lodged a strong protest.

Attacks by French farmers have contributed to sour relations be-tween France and Spain.

### United Press International

# RUSSIAN SPECIALTIES

BORSCH - CAVIAR - CHACHLIK OPEN DAILY



The limestone ark fragment found in Upper Galilee depicts two lions astride a roof and features a scallop-shell niche.

### Fragment of a Sacred Ark Found In Israel Is Called Oldest Extant

New York Times Service NEW YORK - American archaeologists digging in Israel have uncovered what they say is the oldest sacred ark yet found. It was reported to date from the third century A.D. and appears to have had the same form and function as the arks in modern syna-

The large fragment of the ark, made of white limestone and featuring two rampant lions standing astride a gabled roof, was discovered in the ruins of a synagogue at the site of Nabratein in Upper Galilee. Coins and ceramics found in the ruins enabled the archaeologists to place the ark's origin between A.D. 250 and 306, the date of a destructive earthquake in the region.

The discovery was announced Saturday by Duke University and by the American Schools of Oriental Research at Cambridge, Mass. Eric Meyers, a professor of religion at Duke, said only the uppermost fragment of the ark had survived.

According to the Bible, the Ark of the Covenant contained the stone tablets of the Ten Commandments that Moses brought down from Mount Sinai. In later centuries, after the original ark disappeared, the arks kept in synagogues held the Torah, or law of Moses — the first five books of the Bible.

Until now, no ark used in the Roman period anywhere in the world had been found. The oldest ones extant dated from the Middle Ages. However, the character of the ancient arks was known from their depiction in frescoes and mosaics in the cata-

Mr. Meyers, who discovered the site last year and directed excavations there last summer and this summer, said the fragment of the ark was about 4.6 feet long (1.4 meters) and weighed half a ton (about 450 kilograms). The fragment is undergoing further study at the Rockefeller Museum in Jerusalem.

### Leading Black Pastor Says Falwell Has Perverted the Christian Faith

New York Times Service

NEW YORK — A Brooklyn minister who is president of the National Black Pastors Conference has charged the leader of the Moral Majority with perverting the Christian faith.

The minister, the Rev. William Augustus Jones of Bethany Baptist Church, contended that the Rev. Jerry Falwell, the Moral Majority leader, equated "piety with patriot-ism" and failed to distinguish between "the flag and the cross." Moral Majority is a political-action group made up of conserva-tive Christians.

Mr. Jones, who is immediate past president of the 500,000-member Progressive National Baptist Convention, made the charges in a letter to Mr. Falwell, who is also a Baptist minister.

In making the letter public Enday, Mr. Jones said his comments were motivated by Mr. Falwell's public support for Israel's recent

#### Geneva Blast Victim Dies The Associated Press

ZURICH - A 22-year-old man has died of burns suffered in a July 22 bomb explosion at the Geneva railroad station. Responsibility for the blast and others in Bern, Zurich and Lausanne was claimed by Armenian extremists demanding the release of a comrade jailed in Geneva and accused of killing a Turkish consular employee June 9.

attack on the Iraqi nuclear reactor and its bombing of Beirut. Mr. Jones said the Moral Majority leader practiced "microethics" by backing such military action while opposing abortion.

The letter contained some of the strongest criticism of Mr. Falwell to come from a black religious

### Vietnam Praises Soviet Trade Tie

The Associated Press BANGKOK - Recent economic and trade agreements between Vietnam and the Soviet Union were praised Saturday by the Vietnam party journal Nhan Dan as "a new step in the development of economic cooperation between the

two countries. It said that a series of important events in economic cooperation began June 19 with the founding of a Vietnamese-Soviet enteronse for the survey and exploitation of natural gas on southern Vietnam's continental shelf.

On July 9, the two nations agreed to coordinate their national economic plans for 1981-1985. They signed an economic and technical agreement July 24 and a trade pact last Thursday, Nhan Dan said. It said trade between the nations would increase substantially during the next five years.

**DAMK Berlin** 

Fairs and Exhibitions Division

# 19th Overseas **Import Fair 1981**

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### **Nuclear Plant Plans** Protested Near Basel

KAISERAUGST, Switzerland - More than 5,000 anti-noclear campaigners held a peaceful dourconstration to coincide with Swiss National Day, urging the govern-ment to reject a plan to build a micicar power plant, the nation's sixth, in this village near Basel.

Speakers said on Saturday that local people who had voted against the proposed plant should not be overrised. A private consortium has obtained a site permit at Kareceived with the watering of Sciences. tient decision on whether future electricity demand would justify building appring reactor

later been living in Hermosa Beach Calif. In one of the letters, the authori-

With Ex-Convict's Help, U.S. Believes

ties said, Mr. Sweeney wrote, "Two marshals interviewed me helped the spy flee to South Africa yesterday about our escaped after he escaped from prison. friend. Somehow they have discovehow they have discovered that I helped get him into South Africa. In fact they have managed to pinpoint the exact geographical area. I suspect an informer has been at work. If the

Feds contact you, say nothing." in one of the court documents the marshals said that on Feb. 12. 1980, the State Department gave them a cable from the U.S. ambas-

sador to South Africa. The federal authorities said the ambassador had reported that the embassy received an anonymous

mate who had been in the letter apparently mailed from cellblock with Mr. Boyce and had South Africa that said that "a known mercenary named Shellhammer had assisted the convicted American spy Christopher Boyce in entering South Africa by way of a fake passport and identity for travel through the Orange Free State to Zimbabwe, Botswanna

- Prime Minister Robert D. Mul-doon threatened Sunday to call a

general election unless talks involving protesters, police and rug-by officials result in an agreement

Springboks, a South African rugby

to cut short the seven-week tour in

exchange for a guarantee that anti-

apartheid protests will be non-

Since the tour began July 22, it has been disrupted by demonstra-tions and violence, including shot-

gun blasts into the home of an out-

spoken tour advocate. No one was

far, three have been played; one

Of four matches scheduled so

hurt in that incident.

used the name Shellhammer and

had a passport in that name."

Sweeney has a history of activity in 1973 joined the Rhodesian Army,

The authorities say Mr. Sweeney has traveled in South Africa and Rhodesia on a passport issued in the name of Frances August

The court papers also said that our investigation has shown South Africa and Rhodesia, and in

Rhodesia is now called Zimbabwe.

[Police used coils of barbed wire

Hundreds of demonstrators Zealand cities. The Springboks

The next match is scheduled for Wednesday at Wanganui, about ing golf and relaxing.

they wish to organize direct ac-tion," he said. "Should that hap-

pen, we will deal with it in the way

African National Congress' strug-

gle against South Africa's white-

minority regime. He was impris-oned for 12 years on Robben Is-

land off the coast of Cape Town,

where the leader of the congress,

Nelson Mandeia, has been held for

1975, he was immediately banned,

a legal action that severely restricts

a person's activities. He was one of

12 congress leaders imprisoned in

of diamonds or metallic carbon.

After Mr. Gqabi was released in

"Instead of having sweetness and light, we find there is outright hostility," said Rep. Thomas F. Railsback, a Republican from Illinois. "I have never seen the committee in the shape it's now in, with some of the members at each other's throats."

pleased with the bill approved by the committee Friday, had hoped to have Rep. Hyde as a supporter. "This is a hollow victory," said Arnoldo S. Torres of the League of United Latin American Citizens. "The Democrats have incurred the wrath of some Republicans. A lot

er out of anger or frustration." Hispanic groups want to see the law preserved because it protects the voting rights of Spanish-speaking citizens who do not understand

English.
The bill approved Friday would

South Africa in 1977 on charges of conspiring to overthrow the government. Acquitted in 1978, he However, the bill provides that a

#### Glitter of Uranus and Neptune May Be Diamonds, Scientist Says The Associated Press

NEW YORK - The planets Uranus and Neptune are not covered with frozen ammonia and methane as some scientists say, but they might be covered with another kind of glittering ice - dia-That is the conclusion of physicist Marvin Ross of the Lawrence Livermore National Laboratory in California, who says that

the extremely high temperatures and pressures on the two planets might have converted carbon to diamonds. While a current theory holds that the planets are made of rocky cores surrounded by a layer of ice, ammonia and methane, and an outer layer of hydrogen and helium, Mr. Ross contends that the methane has separated into the carbon and hydrogen atoms that form it and that the carbon atoms have been squeezed into a layer

and Neptune, coupled with laboratory studies, show that both planets have atmospheric pressures and temperatures that could easily produce the conversions he described, The diamonds, if they exist, could be in the form of small flakes drifting through the dense lower atmosphere of the two planets. Or they could fall to the planet's surface - possibly in enormous

quantities - encrusting the rocky core. Mr. Ross said.

In his report, appearing in the current issue of the British scien-

tific journal Nature. Mr. Ross said that current data on Uranus

any of its counties within the last 10 years. Democratic Rep Don Edwards of California, who worked on the compromise, called this provision reasonable to provide an incentive to covered jurisdictions to take affirmative steps to eliminate discrimination in voting, Rep. Hyde complained that the bill requires the state not only to "clean up its own act, but also to clean up

The Voting Rights Act was passed in 1965 and extended in 1970 and 1975. The section requiring certain states and counties to make submissions to the Justice Department expires on Aug. 6 of next year unless renewed. That section currently covers nine states Alabama, Alaska, Arizona, Georgia, Louisiana, Mississippi, South Carolina, Texas and Virginia - and portions of 13 other

ed against the burning of Spanish trucks by French farmers angry about Spain's exports of fruit and wine, official sources said. The undersecretary of state for

Seven Spanish trucks were reported to have been set ablaze Saturday near the southern French

#### Monaco Gets Archbishop

VATICAN CITY - Pope John Paul II has named Monsignor Charles Brand, 61, as archbishop of Monaco after the Vatican elevated the principality to the rank of archdiocese. Monsignor Brand. appointed Saturday, was formerly an auxiliary bishop in Strasbourg.

#### ,WORLDWIDE ENTERTAINMENT

#### DOMINIQUE AT MONTPARNASSE

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# Air Crash Kills Gen. Torrijos, Political Leader in Panama

PANAMA CITY — Gen. Omar Torrijos, 52, the political leader who won Panamanian control of the Panama Canal in a pact with the United States, has been killed in a plane crash, the National Guard reported.

A National Guard spokesman said Saturday that six others in the light plane also died when it crashed Friday in a remote jungle area 60 miles west of the capital. Those aboard included two pilots, a doctor, a mechanic and two bodyguards. The wreckage was found Saturday and the bodies were recovered, the spokesman said.

Col. Florencio Flores was named to succeed Gen. Torrijos as commander of the National Guard during a meeting of the guard leadership and government officials, including President Aristides Royo. Col. Flores, 50, was the guard's chief of staff, and diplomatic courses of staff, and diplomatic courses of the staff. matic sources said he was considered second only to Gen. Torrijos in political power.

A television announcement said Gen. Torrijos' plane disappeared after taking off for the short flight between the cities of Pemonome and Coclesito. The National Guard, which serves as Panama's army, said Gen. Torrijos had been making a routine check of military

New York Times Service

In just over 12 years as Panama's leader, Gen. Torrijos remained a mystifying figure, not only to foreigners but to many of his countrymen as well.

He was best known in the United States as a principal architect of

the Panama Canal Treaties and the placed Mr. Royo, a lawyer, into man who gave the deposed and ailing shah of Iran asylum. He also was instrumental, along with the Vatican, in persuading the Argentine government to permit former President Isabel Peron to leave for exile in Spain after five years of

Gen. Torrijos represented no ideology, although many in the Unit-ed States considered him a leftist, and worse, as he occasionally flirted with Cuba's Fidel Castro and Libya's Col. Moamer Qadhafi.

His one consistently strong suit was nationalism. Yet, when the Canal Treaties finally were signed in 1978, the left in his own country accused him of selling out Panamanian interests because the United States would continue to con-trol the canal until the year 2000 and to defend its "neutrality" after that.

#### Coup Leader

Gen. Torrijos, then a lieutenant colonel, engineered the coup that overthrew the three-time populist president of Panama, Amulio Ari-

as Madrid, in October, 1968. Made a full colonel, he took over as commandant of the National Guard and promoted himself to general a year later.

From 1972 to 1978, Gen. Torrijos also held the title of chief of vernment and supreme leader of the Panamanian revolution, which made him the sole leader of the country.

Although still the commander of the National Guard, Gen. Torrijos faded more and more into the background after 1978 when he the presidency in Panama City.

Economic and political troubles of long standing beset Panama even before Gen. Torrijos gave up the day-to-day administration of his country. What kept his influence paramount in recent years were the quarrels dividing his op-

Omar Torrijos was born Feb. 13, 1929, in Santiago de Veraguas, about 115 miles from Panama City. Both his parents were teach-

He entered the military school of El Salvador and received additional military education and training in the United States and Venezuela. He was commissioned as a second lieutenant in his country's National Guard in 1952. The guard, considered one of

the best-disciplined forces in Latin America, had little involvement in political affairs, which traditionally had been the province of the country's rich eliter prior to Gen.

#### Stereotyped as Dictator

Gen. Torrijos was stereotyped as Panama's "strongman," a military dictator of the Latin American mold. Yet he and the role he played were far more complex than was realized by outsiders.

Without an intellectual frame of mind, he could inspire crowds to wild ovations and cheers as he let loose with strings of nationalistic rhetoric, denouncing the United States in the harshest terms over

But it was entirely normal for

—By Wolfgang Saxon

### Paddy Chayefsky Dies; Wrote 'Marty,' 'Network'

New York Times Service NEW YORK - Paddy Chayefsky, 58, a playwright who won three Academy Awards, died of tape recordings.

cancer Saturday in New York. Between his early success with intimate dramas for television and his later success with large-scale Hollywood extravaganzas, Mr. Chayefsky wrote several plays for

Mr. Chayefsky's most famous play was "Marty," the story of a

#### **OBITUARIES**

fat butcher's courtship of a plain schoolteacher. First done on television, it became a movie and won an Oscar as best picture in 1955. His second Academy Award came in 1971 for the screenplay of "The Hospital" and his last in 1976 for the screenplay of "Network," a satire on the high-pressure world of New York television.

possibilities of films, and once Holllywood producers and executives are not the idiots they are frequently supposed to be."

His other stories and screenplays included "As Young as You Feel" in 1951, "The Catered Af-fair" in 1955, "Middle of the Night" in 1956, "The Bachelor Party" in 1957, "The Goddess" in 1958, "The Americanization of Emily" in 1964 and "Altered States" in 1979.

Mr. Chayefsky's characters were often touching victims, unable to express their love, boredom or frustration. Defending his work against some early critics, he said in 1956: "I have sometimes been accused of writing little plays



about little people. What my critics pretend to mean, I think, is that He often defended the artistic my plays are literal and earth-ossibilities of films, and once bound, and that my characters immediate recognition."

The playwright's real first name was Sidney. He was born in the Bronx in 1923. After graduating from the City College of New York in 1943, he entered the Army, where he reportedly ac-quired the name "Paddy" after asking to be excused from kitchen duty to attend Mass. He received the Purple Heart after being wounded in Aachen, Germany, by

a mine explosion.
One of Mr. Chayefsky's first works was a musical comedy that he wrote while convalescing in an British hospital. On returning home, he went to work in his un-

writing short stories, and also dramas for radio and television. He gained early esteem also for his naturalistic dialogue, which admirers (and later critics, for different reasons) often said resembled

Many scenes and bits of dialogue from Mr. Chayefsky's plays stuck in the minds of the millions who saw them. During the 1950s especially, the image of Marty — lovesick for a schoolteacher and not even knowing how he wanted to waste an evening with a friend - was imitated relentlessly by co-Much later, the line, "I'm mad

as hell and I'm not going to take it anymore," from "Network," gained a certain popular renown as a statement of end-of-the-rope contempt for the corruptions, hypocrisies and humiliations of cor-porate life and the power of society's image-makers.

His Broadway productions in-cluded "Middle of the Night," "The Tenth Man" and "Gideon," which enjoyed varying degrees of success, and "The Passion of Josef D." a 1964 play about Stalin that quickly closed.

#### Albert Boni

NEW YORK (NYT) -- Albert Boni, 88, one of the historic and flamboyant figures in American publishing, died Friday at his home in Ormond Beach, Fla.

Faces Operation

Mr. Boni brought out the work of Thornton Wilder, Ford Madox Ford, Theodore Dreiser and Trotsky, and he was one of the pioneers in the paperback, book club and microfilm fields.

In 1915, with Lawrence Langn-

# RECENT ISSUES 76

Gen. Omar Torrijos

for a chat with an American correspondent or other visitor, speaking softly as he explained his views and professed his admiration for things American - except for Washington's position on the

He stated over and over that his relations with Washington, aside from that one issue, were good and that he honestly liked Americans.

Although he had no farming background, he made the land one of his main concerns. As supreme ruler, he often toured Panama's steamy interior to hold long conversations with peasants about planting, cattle ranching and drought, and he did so in their lan-

Gen. Torrijos was married and had three children.

Square Players, which became the Theater Guild. With Horace Liveright, his partner in the publishing firm of Boni & Liveright, he founded the Modern Library and chose the first 100 titles for it before selling out to his partner in 1923 - after tossing a coin for the sole ownership.

#### John Thompson

MORGES, Switzerland (Reuters) — John Thompson, 58, a British trade union leader who was general secretary of the World Confederation of Organizations of the Teaching Profession, a Swiss-based group, was killed last Mon-day in an automobile accident in Hungary, a spokesman said Satur-

#### John Albert

WASHINGTON (WP) -- John Albert, 69, a retired news executive and analyst for the Voice of America, died of a heart attack Wednesday while vacationing in Zurich, a VOA spokesman said. Born and educated in Austria, Mr. Albert went to the United States in 1940.

# Pontiff Recovers From Infection.

New York Times Service ROME — Pope John Paul II has fully recovered from the virus infection that has plagued him since mid-June and will undergo a final operation on his intestine in the near future, the pontiff's doctors

Dr. Emilio Tresalti, medical director of the Gemelli hospital, said Saturday that tests in preparation for the operation would be made early this week but that the date of the operation would not be an-nounced. Other hospital sources said the operation was tentatively planned for Friday or Saturday.

The operation is needed to close

the colostomy performed May 13 when a gunman's bullet tore through the pope's abdominal cav-ity and injured his intestine in sev-eral places. The surgeons made an opening through the skin to permit waste to be evacuated without passing through the damaged por-tions of the intestine. In the second operation, the colon will be reattached and normal bowel evacuation will be restored.

The second operation, expected to last less than an hour, was to to last less than an hour, was to have taken place earlier but was postponed when the pope contracted a cytomegalovirus infection, with a high fever and lung and liver complications, about a month after the first surgery.

Dr. Tresalti read a bulletin, signed by the pope's nine-man medical team, reporting that the

medical team, reporting that the pope's recovery from the virus inection "is now considered clinically complete." He added that it would take the pope "one or two months" to recover from the final

#### Woman Dies in U.S. After Dual Transplant

PALO ALTO, Calif. -- A 28year-old woman died from compli-cations four days after a heart and lung transplant operation, a hospital spokesman said.

tal spokesman said.

Karen Wilson of Mill Valley,
Calif., who had a congenital heart
disease, underwent the operation
last Thesday and died Saturday.
She was the third patient to have
the double transplant at Stanford
University Medical Center in the past five months. The other two are reported to be making good

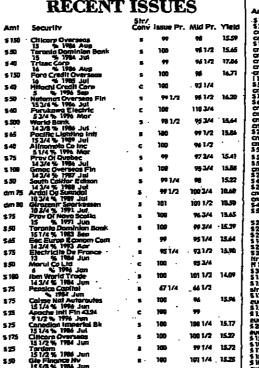
#### **India Flood Toll Rises**

NEW DELHI - The death toll from flooding rivers rose to 282 during the weekend in the northeastern states of Uttar Pradesh and Assam, the Press Trust of India news agency reported.

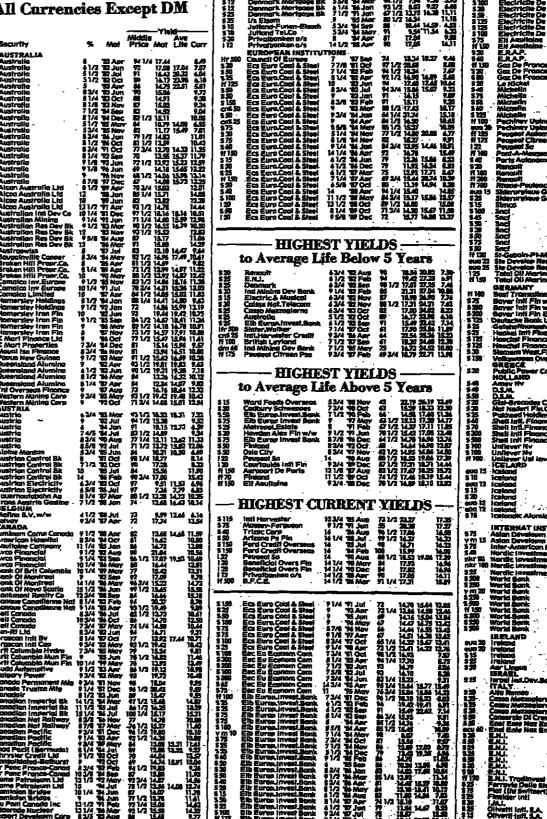
# International Bond Prices - Week of July 30

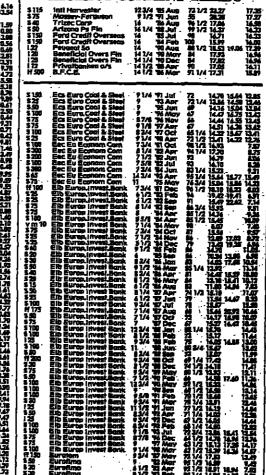
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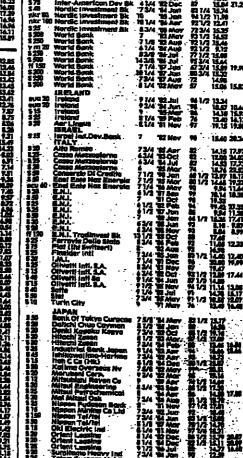
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#### STRAIGHT BONDS All Currencies Except DM







# **WestLB**

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#### cle's print shop. Later, he began er, he founded the Washington East Germany, in Shift, Aiding Churches

New York Times Service

BERLIN — East Germany, in a move away from trying to isolate the country's Christian believers, has embarked on an ambitious program of building new churches, restoring old religious buildings and honoring historic church lead-

Recently, Martin Luther, the Protestant reformer, made his appearance on the East German stage in a new play, demanding that a monument be erected for him here. The public roared and applauded. To everyone's surprise, Erich Houecker, the Communist Party leader, had announced shortly before that he would personally oversee preparations for obser-vance in 1983 of the 500th anniversary of Luther's birth. Earlier this summer, East Ger-

mans witnessed the ceremonies for a new Protestant church and community center at Eisenhuttenstadt, an industrial center where religious services had been barred for nearly 30 years. At Potsdam last month, the war-damaged St. Nicholas Church was reconsecrated in the presence of Communist officials, Western diplomats and church leaders from East and West.

a real construction boom," Klaus Gysi, the East German secretary of state for church affairs, recently told a group of Western visitors. He said that 21 churches and community centers were being built, while about 30 historic landmarks throughout the country were being

#### **Guarded Welcome**

church in a Socialist country, but and secondary schools.

"Our churches are experiencing

The most notable of these structures is the cathedral built by Kai-ser Wilhelm in the heart of East Berlin, a huge neo-Baroque edifice whose copper-plated dome over-shadows the Parliament building across the street.

Church leaders have welcomed the Communists' new approach and the larger scope granted them, but they have also warned of con-

we will not become a Socialist church," said the Rev. Rolf-Dieter Gunther, a spokesman for the Protestant clergy. Most observers believe that the

change in the official attitude reflects a desire to integrate the country's practicing Christians into East German society instead of letting them build up an opposition to the state. Originally the Communists in East Germany ig-nored or fought the churches, regarding them as superfluous or

Other officials said the new moves were aimed at winning sup-port for the East's anti-Western drive, in an attempt to influence West Germany through the close links that exist between the churches in the two Germanys.

The Protestant Church, which with 8 million members in a population of 17 million is the strongest religious group, has long opposed military indoctrination, especially tinuing conflicts. the paramilitary training for boys "We have accepted our role as a and girls at the state-run primary

## Cedel has pleasure in announcing the appointment of John Croker as London Representative effective 1st August 1981.

77 London Wall, London EC2N 1BU Tel: 01-628 0642 67 Bd Grande-Duchesse Charlotte. Luxembourg PO Box 1006. -Tel: 47 59 31-1

Founded by the market for the market.



INTERNATIONAL

Monday, August 3, 1981

# U.S. Requests Mobil To Submit More Data

From Agency Dispatches

NEW YORK - The Justice Department, in its antitrust investigaoffer for Conoco. The request.

the ninth-largest U.S. oil company.

Mobil said that it would by to provide the data as soon as possi-ble. The company's board was to meet early this week on the matter. Mobil said Friday while we would have been happier had the

department given us early clearance to proceed as they did for Du Pont, we are gratified by (the) statement that the Depart. checks ment of Justice's action 'does not noon. reflect even a tentative judgment that the acquisition would be im-

"We recognize that those who

### Burroughs To Acquire Memorex

DETROIT - Burroughs Corp. has agreed in principle to acquire financially troubled Memorex

Corp.
Michael Blumenthal, Burroughs
chairman and chief executive officer, said Saturday that Burroughs would acquire Memorex for \$14.50 per share of common stock and merge the company into a new Burroughs subsidiary. As of June, Memorex had slightly fewer than 7.3 million shares

Mr. Blumenthal captioned that the agreement was subject to a number of conditions, including an acceptable restructuring of Memorex's long-term debt and approval of the merger by Memorex

Burroughs is a major producer of computer systems. Memorex is best known for its audio and video recording tapes, but that accounts for only 15 percent of its total sales. Most of the firm's revenues. come from sophisticated computer

Mr. Blumenthal said the agreement was endorsed Saturday by the boards of directors for both Burroughs and Memorex. The agreement was the result of discussions between the two firms over

the past few months, he said. Noting Memorex's improved second quarter 1981 operating re-sults, he predicted additional improvement once the merger was ac- funds ready from its 54 billion

On Tuesday, Memorex officials ing for Conoco shares on Aug. 5, a Du Pont spokeswoman said Friconfirmed the company had been holding discussions with several companies over the past several also have funds madily available months with the aim of combining all or part of its assets with anoth-

Storage Technology acknowledged then that it had been one of the firms that had held talks with Memorex, Storage, based in Louisville. Colo., manufactures comput-

er disk storage equipment. Memorex was a leading manufacturer of such equipment until 1970, but was overtaken in the field when Storage Tech introduced a new generation of equipment six months shead of

Memorex, based in Senta Clara, Calif., reported that its loss in the second guarter widened to \$24.3 million from \$21.7 million in the second three months of 1980. Revennes rose to \$201 million from

By William Ellington

AP-Dow Jones

getting a good reception in the in-ternational dollar bond market be-

cause they are willing to pay record yields, syndicate managers

After a \$50 million, seven-year note issue by Arizona Public Ser-vice was priced at 98.5 bearing 164 percent annually to yield

16.63 percent at maturity, the issue tose to 99.5 offered Friday in an

A seven-year, 16 percent coupon issue of Pacific Gas & Electric was increased by \$15 million to \$75

million because of strong demand. The issue was priced at 99 to yield 16% percent and afterward traffed

comfortably near the subscription

Until U.S. milities came along,

16 percent coupon rates were rare.

But Public Service of New Hamp-shire set a record by offering a \$30

million, five-year note issue with a

17 percent coupon. Assuming that

the issue price is fixed at par, the

interest payments will equal the

Cateory Ispec

According to dealers and un-derwriters, demand for U.S. mility

issues is strongers in Switzerland,

where many investors are interest-

ed in obtaining high income rather

Nevertheless, some underwriting

specialists doubt whether the surer-

national market will be able to ab-sorb a lot of U.S. unitry offerings

without an adverse reaction. The

U.S. utilities are coming over here

because they can usue mesecured

debt at cheaper rates than they can

1900 secured debt at home. Mar-

ket forces will soon change all that," one senior dealer said.

principal in about 4.4 years.

than capital gains.

otherwise lackluster market.

LONDON - U.S. utilities are

desire to tender to Mobil will now have to wait a bit longer for payment. However, we expect the Motion, late Friday asked Mobil to bil board will consider early next provide additional data about its week what further action to take. We are confident that we will be came several hours after Justice able to satisfy the Department of gave conditional approval on satisfy instance of requests for additional intrust grounds to Du Pour's had for formation in a short period of

Meanwhile, Jos. A. Seagram & Sons Saturday began paying \$92 a share to Conoco stockholders for shares tendered.

Seagram had planned to begin paying for Conoco stock at 12:01 a.m. Saturday, but court challenges to the Seagram offer delayed the company from issuing checks until early Saturday after-

Conoco, which wants Du Pont to win the hidding war, found a county court in Florida, then one in North Carolina, to rule that the Canadian distiller's \$4.08 billion bid for 51 percent of Conoco vio-lated state liquor laws and had to be stopped.

Seagram called the move "nn-constitutional," contending that a state court does not have jurisidic-tion over tender offers, which it said are federal matters.

The Florida judge overturned his own order Friday after Seagram appeared in his court, and at about 1:30 p.m. Saturday a federal judge in Raleigh overturned the North Carolina county court, allowing the Seagram offer

to go forward. Employees at Fidelity Union Bank of Newark, N.J., immediately began writing out checks in the amount of \$92 for each share sent m by Conoco stockholders as of July 22. The bank will begin writchecks on Sunday for shares n in after that date.

Many of the large shareholders who tendered under the offer were expected to pick up their checks at the bank over the weekend.

Under the Seagram offer, Conoco stockholders could actually walk into the bank, hand in their shares and walk out with the cash. That will continue until Scagram has the 51 percent, or 44.35 million shares it is seeking or until the of-fer expires this Wednesday. Seagram would not say how

far, but it did acknowledge the number was less than the 44.35 million shares it is seeking. As of July 22, Seagram said it had 20 percent of Conoco stock, or 17 million shares. But some of those might have been withdrawn before the withdrawal deadline,

many shares it has attracted thus

which was extended until ! p.m. Du Pont has arranged to have credit line so that it can begin pay-

er bidders for Conoco

#### Weyerhaeuser Sells Most of French Unit

TACOMA, Wash. — Wey-erhaeuser said Friday it had sold 81.7 percent of Weyerhaeuser Europe to Seyfert Wellpappe of Stutt-gart for an undisclosed price.

Weyerhaeuser said it will contin-ue to hold an 18.3 percent interest in the company and representation on the board. Weyernaeuser En-rope is a French holding company with two shipping container plants, Dropsy Carton in Reans and Cartonneries du Forez in Feurs, and a paper mill, Societe Nouvelle des Papeteries de la Haye Descartes in Descartes.

Citicorp is floating a zero coupon note issue with detachable

warrants to purchase more zero coupon notes. The basic proposi-

tion is that if the market value of

the warrants rises, investors can

sell them separately and come out handsomely. The sale of the war-rants would reduce the effective

purchase cost of the notes and

The principal amount of the of-

fering is \$100 million. It consists of

three-year notes, priced at 66.75 to

yield 14,42 percent. This return

might seem derisory as the yield on comparable U.S. Treasury notes is

currently more than 1.50 percent-

age points higher on an annual

But each \$1,000 Citicorp note

provides two warrants that expire

in 12 months. The warrants allow

the holder to purchase \$2,000 principal amount of Citicorp's seven-year notes at 38.76 to yield 14½ percent at maturity. If interest

rates should start to decline signifi-

cantly, the warrants would provide

vertible bond issues. Such an

anslaught is now possible because

the Ministry of Finance in Tokyo

has dropped its queue system,

raise the yield.

compon basis.

unless OPEC put its house in order in the near future, one or other of reached a stage where, if it is not resolved fairly quickly, it will threaten to undermine the entire foundation of the oil exporters orunilaterally. This, it pointed out, would be "an incomparably great-Last week, Iraqi oil minister Tayeh Abdul Karim had said that er defeat for the oil exporters than

an OPEC pricing meeting proba-

U.S. Utilities Well-Received in Euromarket two or three a month. But just the threat of such a

which previously rationed issues to underlying shares in the last six days prior to pricing. Nomura said.

### Japanese Offering

large supply depressed prices of outstanding Japanese convertible

issues this week.

LONDON (Reuters) - Japan's Nitto Electric Industrial is launching a \$40 million convertible Euro-bond, maturing in 1996, sole lead manager Nomura International said Friday.

The bond carries an indicated coupon of 5% percent and is expected to be priced Aug. 12, with payment Aug. 31. The conversion premium will be around 5 percent above the average price of Nitto's Eurocl.

Eurobond Yields\*

### Week Ended July 29

International institu-	
tions	14.80 %
Industrials, long term	14.39 %
Industrials, medium term	15.48 %
Canadian dollars, medi-	
um term	15.71 %
French fr. medium term	17.50 %
Unit of acc_long term • Colculated by Luxembours Stoc	11.14%
<ul> <li>Colculated by Luxemboure Stoc</li> </ul>	k Exchange

Market Turnove Week Ended July 31 (Milkions of U.S. Dollars) 3,213.1 2,473.8

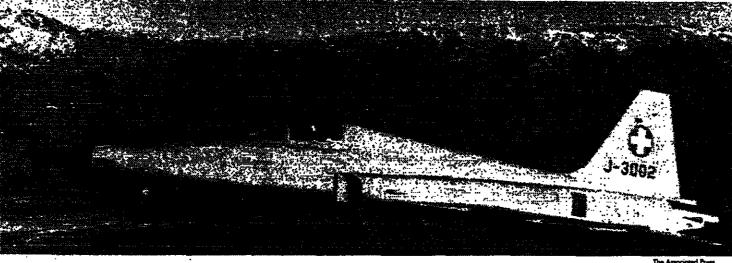
# 4,621.6 4,191.3 430.3

#### **CURRENCY RATES**

Interbank exchange rates for July 30 1981, excluding bank service charges.

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,	Cantly, the warrant name								
	highly leveraged capital gains.					•			
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	This treatment to about	Amsterdam	2,741	5.67	113,10 *	46.84 * 0.22	37 -	A78 . 125.27 .	. m.
	to bid up the warrants to about		40.44	74,725	16.379		ot • 14,755	— 1 <b>1.263</b> 5	5.21
	\$17 each from an opening price of	neussels (a)		1543			13 x 90.15 *	4.106 * T15.40 *	31.82
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	around 510. Consequently, if an	<u> Londes</u> (6)	1.8572		4.5608			30.317 572.17	157.51
,	THE STREET WAS TABLE FOR	Miles	1,224.45	2.254.15	496.75		_ 47.53		
,	investor sold his two warrants for	Hew York	_	1,8582	0.4077	0,1721 0.81		0.2483 0.4699	0,1284
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	effective price on the three-year	Zurich	214	1955	<b>34.45</b> -	36.525 * 6.17	44 7£15°	5.295*	27.57 *
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	the stell to 10.43 persons				IJ	CHEMI. A MITTE	<b>3</b> ·		_
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Hong Kons 5 57845 8297 Links 6 6763 0.888 £\$hertles; 1.2517 |rish £ (a) Commercial franc. (b) Amounts second to buy one pound. (\*) Units of 000. (x) Units of 1,000.



Northrop used unusual marketing techniques to sell its F-5E jet to the Swiss Air Force without any help from the U.S. government.

# Northrop Helps Its Jets to Sell Themselves

By Pamela G. Hollie

HAWTHORNE, Calif. - Thomas V. Jones, chairman of Northrop, is by nature like the planes he touts — straightforward, efficient and built to survive.

He is also a man who has said more than once that free enterprise should be used to defend free enterprise. In other words, if a jet fighter is reliable, efficient and meets the needs of the market, it will sell. It does not need a handout from Uncle Sam.

To prove it, Mr. Jones is spending \$300 milition of Northrop's money on a new plane, the P-5G Tigershank, the latest of the company's supersonic fighters in the immensely successful F-5 family. (The 3,500th family member was delivered last week, to Thailand.) And he is challenging a longtime industry pattern that normally calls for getting advance orders and government money to assist in the enormously expensive process of designing, building and testing new planes.

Mr. Jones has no advance orders. In fact, he did not even build a prototype. "We didn't need it. We designed it right the first time," the 61-year-old executive said. "When you're using your own money, you usually do what's right." Nothing comes without a price, however, and at Northrop the price of going its own way with the F-5G has been a 77.1 percent drop in second-quarter earnings and a 37.9 percent de-

cline in the first half. For this year and next, analysts are predicting earnings at about the same level as 1980's \$86.1 million.

But Mr. Jones is betting short-term appearances against long-term gains. "All defense business is long term," Mr. Jones said. "Five years is very close in. If a customer intends to have a meaningful force, then 10 years is a relatively short time."

#### An Anomaly

Northrop is, in short, something of an anomaly in the defense and aerospace industry, where government nurturing is standard and erratic performance has been the norm.

Northrop shuns the usual cost-plus con-tracts, in which the government underwrites the cost of overruns. Instead, it offers its customers a fixed price good for a number of years. That way, Northrop may have small profit margins at the outset, when production wrinkles are being worked out, but it can predict its long-run profitability. Then too, except for its fighter planes, Northrop tends to concentrate its business on specific components rather than whole systems. So, unless the MX program is canceled or cutback drastically, Northrop can expect to see the completion of the \$235 million contract it has with the U.S. Air Force to develop the MX guidance

Northrop tends to spread risk by becoming

involved in many projects. It has a \$4.6 million contract for gyroscopes for the F-16, for example, a \$112 million U.S. Air Force contract for radar jamming equipment, a \$36.2 million contract for MX gyroscopes and a \$14.7 million contract from the U.S. Army for an electrooptical system for the Hawk missile.

Undaunted by the evaporation of government support for research for export aircraft. Northrop is paying for its own, betting on its own technology to cut waste and its own programs to eliminate red tape. The F-5s, whose only effective competition in world markets is the Soviet MiG, are totally export-oriented. Only about one-quarter the size of Rockwell

International, less than one-half the size of McDonnell Douglas or Lockheed, Northrop has been by far the best performer of the lot. Its stock has climbed from \$10 to \$53 since

#### Cash Flow Strain

The fact is, Northrop can probably afford to take a chance with the F-5G Tigershark, the \$7 million version of its lightweight, no-nonsense jets, even though the investment will strain its \$115 million annual cash flow.

Mr. Jones, although he controls only about 260,059 of Northrop's 14.4 million shares, has (Continued on Page 9, Col. 1)

# **IMF Finds Rise** In Protectionism

By Hobart Rowen Washington Post Service

WASHINGTON - Protectionist measures in the industrial countries have been mounting, the International Monetary Fund said Sunday in a report on currency exchange restrictions last year and in early 1981.

At the same time, the non-oil developing countries, facing higher prices for oil and greater debt burdens, have also been adopting more restrictive exchange and trade regulations. Altogether, in another of its series of relatively pessimistic economic appraisals, the IMF painted a picture of inward-looking nations of the world in which higher energy costs and tougher competition from imports are eroding liberal trade commit-

#### Glimmer of Hope

In volume terms, the growth of world trade was only 1.5 per cent in 1980, the smallest increase in five years, and far below the average of the 1970s. In this environment, the report said, the effort of the developing countries to gain greater access to the markets of the industrial countries "has virtually

If there is a glimmer of hope, it has been the willingness of the richer nations "to resist the adoption of generalized restrictions on foreign trade." But specific protection has been won, the report said, in textiles, clothing, footwear, steel, shipping, and certain consumer electronics industries.

Despite "the further intensification of payments difficulties," the developing countries did not sig-nificantly increase their exchange restrictions, the IMF said. It estimated that external payments arrears of 26 countries had declined slightly to SDR 5.3 billion (about \$6.5 billion) at the end of 1980. This is equal to 42 percent of the aggregate merchandise export

This compares with outstanding arrears of only SDR 700 million (about \$850 million) in only 13 countries incurring arrears in 1975, equivalent to less than 10 percent of the value of exports that year

#### Heavy Deficits

"Without the refinancing or rescheduling of a substantial amount of debt service by official and commercial bank creditors that took place in three countries, outstanding arrears would have continued their upward trend in 1980 ...," the report said.

The report observed that the current account (trade and services together) of the seven major industrial countries had swung into heavy deficit in 1980 but is expected to shift into surplus this year. This analysis did not distinguish among the major industrial na-tions, but U.S. Treasury officials have said that the decline in U.S. price competitiveness following the steep climb of the dollar will push the U.S. current account into deficit next year.

Former Treasury Assistant Secretary C. Fred Bergsten is predicting a sharp swing from surplus to deficit. In a article to appear in Foreign Affairs quarterly, Mr. Bergsten says that the U.S. current account is moving into deficits like those of 1977 and 1978 triggering an international monetary crisis.

But the view of the Reagan Administration is that the dollar can remain stable, even in the face of a big current account deficit, if the U.S. domestic economy shows signs of responding to the Reasan

# U.S. Firms Look Forward to Slashed Taxes, Trading of Credits

By Peter Behr

Washington Post Service WASHINGTON - The tax bill emerging from Congress not only would cut corporate taxation by almost half by 1986 but would bless many companies with far more tax cuts than they can use, creating a new market for corporate swapping of tax credits and

Rather than cutting corporate rates directly, the House and Senate have agreed to sweeping changes in taxation on ousiness investment that are likely to wipe out a major area of corporate taxation for most companies. The val-ue of the tax deduction would be nies that can

The Associated Press

NICOSIA, Cyprus — The major members of the Organization of

Petroleum Exporting Countries are likely to hold an extraordinary

meeting in August to resolve their price differences with Saudi Ara-bia, the Middle East Economic

The publication said it under-

stood that "a great number of OPEC countries are coming to feel

that the conflict between Sandi

Arabia and the rest of OPEC has

Survey reported Sunday.

eroded if inflation continues at a high rate, but if the inflation rate continues to drop, the change would permit virtually tax-free purchase of new machinery, equipment and facilities.

A second major change, in the tax rules on the leasing of equipment and other assets, is expected to benefit hard-hit companies in the auto, metals and airline industries, as well as many thriving companies. By opening up the leasing rules, Congress intends to permit spread trading of tax credits and deductions between moneylosing companies that cannot use them and money-making compa-

bly would be held in a matter of

MEES said that despite the deci-sion by African OPEC members at

their recent meeting in Tripoli to hold their official prices at the cur-

rent high level, a momentum is de-veloping inside the OPEC main-

stream toward a price and produc-

tion compromise with Saudi Ara-

bia. This would permit the stabilization of a chaotically de-

MEES added it was feared that

the affected producers might even-

tually be forced to reduce prices

a simple price compromise with Saudi Arabia."

pressed market, MEES said.

**OPEC Meeting Seen This Month** 

tions and credits would pile up on the books of unprofitable compa-nies and make them prime candidates for corporate takeovers. "Revolutionary" is how some experts characterize the change in corporate tax credits, which may cost the Treasury \$9.6 billion a year by 1986. The magnitude of the overall re-

duction in corporate taxes, now estimated at more than \$179 billion over the next six years, has been overshadowed by the debate over President Reagan's personal tax

Treasury officials say that with- cut plan. But the business-supportout this change, unused tax deduc- ed Tax Foundation organization calls the corporate tax changes "astounding" and says they would have been inconceivable only a few Share Reduced

> now, reducing the share of all federal taxes paid by corporations from 12.5 percent today to 7 per-

ments. This change, enacted after a lit-The bill would cut business taxtle more than two years of concenes nearly in half by five years from trated lobbying and campaigning

Joseph Pechman, a tax expert with the Brookings Institution, said: "There won't be much left of

cial firms and some consulting firms and others that use labor more intensively. So long as a firm keeps growing, there would be no corporate tax on new invest-

by a coalition of business groups and academic allies, is their answer to inflation and erratic economic growth. Philip M. Caldwell, chairman of Ford Motor Co., which will be a

major beneficiary of the reductions

tax and budget programs provides a "remarkable opportunity" for re-The vast majority of the tax savngs for business arise from the fundamental changes in depreciation, the system businesses use to

in taxes on new investment, said

the passage of President Reagan's

deduct money spent on capital assets that have long-term value, such as machinery. In place of complex depreciation rules based on the "useful

life" of an asset, Congress would create three main categories of as-(Continued on Page 9, Col. 1)

All these securities having been sold, this announcement appears as a matter of record only.

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July, 1981

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30th July, 1981



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**CONVERTIBLE BONDS** 

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# Northrop Helps Its Jets to Sell Themselves

(Continued from Page 7) poerated the company as if it were his own for

more than two decades. Thomas O. Paine, a former head of the National Aeronautics and Space Administration and a General Electric executive, came in as president in 1976, after Northrop was rocked by a questionable payments scandal. But Mr. Paine, while forming with Mr. Iones a twoman executive committee, concentrates on the ponaircraft portions of the business, which have their headquarters in Chicago, Kansas

City, Hawthorns and Ventura
While heads rolled at other companies tains ed by scandal, Mr. Jones remains in the driver's seat at Northrop.

At the beginning of the F-5 program, Ma-Iones personally convinced heads of state in Saudi Arabia, Singapore and Iran - he was a friend of the late shah - to buy his planes. He jetted around the world arranging meetings and sales, and he built a sales network that is

unexcelled in the industry for its insentity.

Not only would Northrop service the planes, but the company would help linance them, help build the austrapt, irain the pilots and help out with nonmilitary problems. When Switzerland signed a contract for 72 F-5s in 1976. Northrop promised to find new business for its client so that Switzerland could afford its \$150 million aircraft tab.

Under what became known as the "Swiss

offset program," Northrop became a promoter of Swiss products, even convincing the Pentagon to help out. It delivered \$150 million worth of business, three years before deadline, and won a second round, 65 percent going to third countries, the remainder to the United

Last month, Switzerland came back for an additional 38 planes valued at more than \$300 million. As with the previous sale, Northrop has promised to promote Swiss business prodness throughout the world - this time \$140 million worth of nondefense business ranging from interior design and wine presses to X-ray equipment.

Northrop's marketing program gradually leads customers through Northrop's alphabet of F-5 fighters, beginning with the simplest available and graduating to the higher end of the model line.

Even the high end is marked by a noticeable simplicity. While competitors built birds, Northrop built gnats — small, easily maneuverable, easily maintained, fast-flying and reasonably priced defensive weapons that could swamp an attacker, hit and run. We have used our advanced technology to

simplify," said Mr. Jones.

The F-5 was designed primarily for U.S. allies after it became apparent in 1956 that planes given by the U.S. to countries like Brazil and Turkey were too sophisticated, required

too many parts and skilled mechanics. Northrop set out to develop a simple plane, one that would counteract the threat of the Soviet-built MiG-15.

The F-5G, now up against the MiG-23, is the newest in the tradition. And, according to Northrop, it is the simplest and most reliable yet. It has a General Electric engine with 14,300 parts, 7,700 fewer than its predecessor, the single pilot F-5E and the two-pilot F-5F, but offers 60 percent more engine thrust.

And the engine is designed so that it can be broken down into six units for easy maintenance. Manpower requirements for maintenance have been reduced by 52 percent and the cost of operation and maintenance by 63 percent. Even though the plane will weigh more than the F-5E, it will take off in 28 percent less distance and climb 48 percent faster. Flying at a maximum speed of up to 1,300 miles an hour at 36,000 feet, the F-5G is 22 percent faster than the F-5E, while consuming 53 percent less fuel.

"We have tried to look at the whole picture, the real needs of the customer," said C. Robert Gates, vice president international and the F-5G program manager. "Perhaps the best feature is that we can promise our customers that the F-5G's average operational ready rate will be 80 percent. That means there will be more of them in the air, not on the ground for re-

# U.S. to Slash Business Taxes, Allow Trading of Credits

(Continued from Page 7)

sets. In the legislation, investments in industrial buildings generally would be deductible over 10 years, machinery and equipment (and some facilities such as oil refineries) would be deductible over five supporters say will improve busiyears, and vehicles over three

would permit companies to deduct. Reagan's presidential campaign, investment costs over fewer years, agreed that the accelerated depre-

By Axel Krause

surer way of triggering indignant reaction from U.S. bankers in this

city than by suggesting they may be cutting back their operations

"We are sick and tired of recent talk about the U.S. banks not pull-

ing their weight here and maybe leaving," said Patrick I. Cuning-

ham, who heads Bank of Ameri-

ca's Luxembourg operation, which in 1969 became the first U.S. bank

"Like our U.S. colleagues, we

During interviews last week, he

and representatives of virtually all

of the other 11 U.S. banks opera-

ting in Luxembourg said that the

main reason they came here at the

end of the 1960s was because it

looked as if the Grand Duchy and

not London would become the

Profits in those markets have be-

come thin during the past few

years, however, and they are not expected to rise at all during 1981,

according to the July issue of Insti-

tutional Investor, a U.S. publica-

U.S. hankers in Luxembourg

also conceded that largely because of intense competition in the low-

bank business, their numbers had

shrunk to their present level from a

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center of the Eurodollar market.

are making money and staying," Mr. Cuningham added.

to establish itself here.

LUXEMBOURG - There is no

thereby reducing taxes and leaving ciation rules are biased in favor of them with more cash.

The political selling point of the new system was its promise of greater investments in new business plants and equipment, which ness productivity and profitability.

Charles Walker, tax lobbyist In most cases, the new method and economic adviser in President

either moved to London or shut

down their European operations

misleading. U.S. banks that left are

the banks that were not quick

enough to realize that the expected

opportunities were not there," said

Henri de Crony-Chanel, managing

director of the Canadian-American

Bank, a subsidiary of Northwest-ern National Bank of Minneapolis.

"Most of the banks have devel-

oped successful alternatives to Eu-

"Overall, we are doing well and

owing," he added, stressing that

U.S. banks still place almost as

meny funds into the interbank

market as the Swiss banks and that

they rank ahead of the French

"If you look at the liability side,

U.S. banks also have the third larg-

that concluded that the U.S. con-

tribution to Luxembourg banking

had proved disappointing, particu-

DOLLAR (U.S.) 18,50%

STERLING (5) 15,75%

FRANC (French) 17,50%

MARK (Doutsch) 12,75%

NO TAX

DOLLAR (Com.) 19

PESETA (Sport) 20

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"But arrivals and departures are

ahogether, U.S. bankers said.

capital investment, and thus are likely to shift a greater portion of business wealth toward that area. "I call it a redressing of a bias that ran the other way for 20 years," he

"I think about capital investment the way Mark Twain did about good bourbon whiskey," Mr. Walker said. "Too much is barely enough.

U.S. Banks' Luxembourg Activity Brisk

Most of the banks that closed - larly to their headquarters' manthe last was Wells Fargo in 1979 agement, were "incorrect." Indeed, as Institutional Investor also concluded, "Although profits may be on the skids, the balancesheet growth of Luxembourg insti-

> With the recent addition of Italy's San Paulo Bank, the total number of banks operating in Luxembourg is 113, led by West Germany with 30, followed by Luxembourg/Belgium and the United States with 12 each. In 1970 there were 37 banks.

tutions remains impressive."

Private Banking

romarket business - private bank-New, so-called private banking ing, expanded correspondent is among the fastest-growing sec-tors, U.S. bankers said. "Catering banking, acceptances, securities and foreign exchange business," said Mr. Crouy-Chanel, who is to the banking and investment needs of private, wealthy individualso chairman of the American als is the future of Luxembourg Bankers' Club of Luxembourg, an . this place is becoming a little informal affiliation of U.S. banks Switzerland," Mr. Cuningham

He said that Bank of America was already offering better terms

and services for customers than many Swiss banks. New private banking business is coming in from around Europe, including from people in Switzer-

land who want to diversify their risks with U.S. banks," he said. A new tough bank secrecy law that went into effect several months ago is helping to stimulate the growing volume. "Everyone wanting to bank here, including

est percentage of non-bank depo-sits after the Luxembourg/Belgi-um groups and the French," Mr. Crouy-Chanel added. Americans, now can be guaranteed total discretion under the law," said Pierre F. Champion, who heads the Bank of Boston's Luxembourg office.

He added that Luxembourg's remaining tax-free for the non-resident depositor and investor is one reason his bank is opening five to six new accounts a day from virtually every area of the world. Mr. Champion said that his private banking business volume has risen to \$300 million this year from \$72 million in 1977 and that he expected it to reach \$400 million by July,

Meantime, American Fletcher National Bank reported that much of its new business is coming from quoting bankers acceptances to correspondent banks, while European American Banking Corp., a consortium of six West European banks, said that had expanded its foreign exchange operations to handle the increased requirements for services by U.S. and European

system is likely to be wasteful, giving tax breaks to companies that are not short of investment capital and favoring some industries over "Most economists would say the

depreciation changes Congress made were not the right ones," contends Mr. Pechman, who favored a simpler, more even-handed approach proposed by House Democratic leaders in a bid to block the president's program. Robert McIntyre of the labor-

supported organization Citizens for Tax Justice, said the depreciation change "is in fact a targeted tax reduction directing huge tax subsidies to the oil industry, the petrochemical industry and others who have no need of such subsidies to meet their investment The change in the leasing rules

was prompted by concern over im-balances in the distribution of tax savings from the new depreciation system Ford, for instance, already has

\$341 million in available tax credits from its huge financial losses in 1979 and 1980. Companies are permitted to "carry" losses backward or forward for a limited number of

Ford, facing another unprofitable year, is expected to pile up another \$80 million to \$100 million in tax credits in 1981. But its backlog of tax-deductible losses will simply accumulate for another ear, losing value because of infla-

The leasing provision would permit Ford to trade its tax credits to a profitable company that could use them to reduce its own tax burden - a manufacturer of new robot auto-making machinery, for in-stance, which could lease its equipment to Ford in return.

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County Bank

Mickeyd Rank Limited

Orion Royal Bank Limited

J. Henry Schroder Wagg & Co.

Grédit Lyonnais

Agent Benk

North Carolina National Bank

### International Bond Prices — Week of July 30

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July 1981

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BAYERISCHE LANDESBANK **UPDATE** 

 Balance Sheet Total advances DM 8.3 billion to DM 83.3 billion Credit Volume increases 11.8% to DM 58 billion
 International

Business continues to expand • Branch Opening Singapore The Bank's Equity rises to DM 1.97 billion

Custa un Cus

4.45 | 1714 | 1444 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 1715 | 17

Highlights from our Subsidiary and Participation Bayernlux: Balance Sheet Total increases 9.1% to DM 7.3 billion

Deutsch-Skandinavische Bank AG (50% holding): Balance Sheet Total up 5.4% to DM 1.6 billion

HIGHLIGHTS FROM THE BALANCE SHEET AS AT DECEMBER 31,1980

Central Office Brenner Strasse 20, 8000 Munchen 2 Tel (89) 2171-1. Tele: 5286 270, Cables Bayumbani Munich Branchis Lundon, Tel: 638 6711, Singapore, Tel. 2 02 69 25 **ASSETS** (in DM million) LIABILITIES Cash 602.0 Due to banks 22,380.3 Lucembourg, fei "47-59 ff-4 Lucembourg, fei "47-59 ff-4 Representative Offices, Toronto, Tei 862-88-40 na, Tei 65-31-41, Johannesburg, Tei 838-16-73 New York, Tei 888-06-70(9) Ingre Doulsch-Shandinewische Bank AG Franklutz/Main, Tei 204-71 211.6 Other creditors 7,100.9 Due from banks 20,669.5 Outstanding debentures 33,861.6 Treasury bills and other securities 5,127.4 Loans on a trust basis at third-party risk 8,796.9 Dire from customers 38,577.2 333.5 Loans on a trust basis at third-party risk 8,796.9 Nominal capital 650.0 Trade investment Declared reserves 1,321.0 Land and buildings 396.2 Profit 48.8 Other assets 1,334.9 Other liabilities 1,930.1 Assets of Landesbausparkasse Liabilities of Landesbausparkasse 7,153.5 6,908,5 (Building and Loan Association) (Building and Loan Association)

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83,331.6

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TOTAL

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The Quarterly Report as of 30th June 1981 has been published and may be obtained from:

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INTERMARKET FUND I Société Anonyme

Registered Office: Luxembourg, 11, Bld. Grande-Duchesse Charlotte R.C. Luxembourg B 8522

Shareholders are hereby convened to the ANNUAL CENERAL MEETING

of shareholders of INTERMARKET FUND I S.A., to be held at the hotel of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, Luxembourg, on August 13th, 1981 at 10 a.m.

Hearing and accepting the report of the board of Directors and of the statutory auditor.

2. Approving the balance-sheet and profit and loss account as of March 31, 1981 and appropriating the results;
3. Discharging the directors and the auditor for the period ended March 31, 1981;

Statutory appointments:

The shareholders are advised that no quorum is required for the statutory General Meeting and that decisions will be taken at the majority of the shares present or represented at the meeting with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one lifth of the outstand fifts of the shares present or represented at the meeting.

In order to take part at the meeting of August 13th, 1981, the owners of bearer shares will have to deposit their shares five clear days before

the meeting at the registered office of the Fund.

The Board of Directors

Gold Options (prices in \$/or.) Nev 700 9,00 200 400 19,00 22,00 7,00 22,00 0,50 1,00 4,00 9,00 4,78 4,80

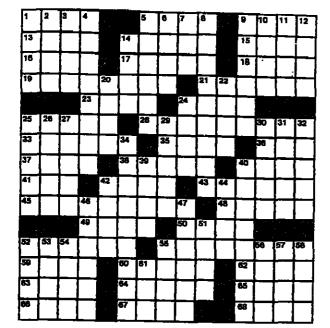
Valeurs White Weld S

you'll be a man.' And then there was Coach Lombardi. He instilled in us love and care and respect for

Badgro not only played for the Giants but also for the old New York Yankees in 1927 and the Brooklyn Dodgers in 1936, two de-

### CROSSWORD.

. Bv Eugene T. Maleska



#### **ACROSS**

- 1 David is one Legumes 9 Chicago nine 13 Blue dye
- 15 Premed subject
- Nora's pooch 17 Muse of lyric poetry
- original position) 19 Major
- league 21 Soaked flax 23 American
- cartoonist 24 Player like George Brett 25 Their ancient land is now
- NW Iran 28 Pertaining to bishops 33 Sacred books of the ancient
- Zoroastrian religion 35 Coll. of selected poems
- 36 Alfonso XIII's queen 37 Donation
- 38 Form of lotto 49 New York
- 41 Ending for Bronx or Brooklyo 42 Female horse

ALGIERS

BEIRUT BELGRADE

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ISTANBUL LAS PALMAS

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BERLIN

WEATHER

- I4 Emulate Goose
- Gossage 16 Nick and
  - (in its
- - 64 Accustom 65 Memorable Danish-American writer
    - 66 Tryout 67 Knight's wife 68 City or river in Maine
      - DOWN 1 Actor James
      - from N.Y.C. 2 Handle, to Hadrian
      - 3 Glove for Rick Cerone 4 Least adorned 5 Player on Pittsburgh's
      - 6 Latin abbr. 7 Perform **Burleson** or

MANILA MEXICO CITY

MILAN

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Western Europe: ASKHz and 443M Medium Wave. 5,975, 6,850, 7,128, 7,185, 7,255, 9,410, 9,750, 12,895 and 15,070 KHz in the 49,41,31,25 and 19 meter pands.

East Abrica: 14/3/KHz and 272M Medium Wave. 25450, 21,460, 17,885, 15,420, 12,095, 11,820, 9,580, 7,120 and 4,050 KHz in the 11, 13, 14, 19, 24, 25, 31, 42 and 49 meter bands.

North and North West Africa: 25.650, 21,476. 15.070. 11,750. 9,410. 7,130 and 5,973 KHz in the 11, 13. 19, 25. 31,42 and 55 meter bands.

Southern Aërica: 25,650, 27,660, 17,880, 15,400, 11,820, 9,410, 7,185 and 6,005 KHz in the 11, 13, 16, 19, 25, 31, 41 and 49 meter bands.

Middle East: 132) KHz and 227M Medium Wave. 25.650, 21.710, 17.770, 15.310, 11.760, 9.410, 7.140, 6.120 and 3,990 KHz in the 11.13, 14, 19, 25, 31, 42, 49 and 75 meter bands.

Southern Asia: 1413KHz and 212M Aledium Wave. 25,650, 21,550, 17,770, 15,310, 11,750, 9,600, 7,180 and 6,195 KHz in the 11, 13, 14, 19, 25, 31, 41 and 46 meter bands.

East and Seath East Asia: 25.60. 17.79. 15.310, 11.865, 9.570, 6.195 and 3.915 KHz in the 11, 16, 19, 25, 31, 46 and 76 meter bands. Also for Singapore only: 88,900 KHz VHF.

**VOICE OF AMERICA** 

The Voice of America broadcasts world news in Emplish on the hour and at 28 minutes after the hour during varying periods to different regions.

Western Europe: KHz 15.345, 7.725, 6.060, 5,955, 1,950, 1,197, 792, 11,760, 9,760, 1,296 in the 19.7, 41,1, 49.5, 50.4, 75.7, 251 (medium wave), 379 (medium wave), 25.5, 30.7 and 232 (medium wave) mater bands.

East Asia and Pacific: KHz 17.820, 17.740, 15.290, 11,760, 9,770, 26,000, 6,110 and 1,575 on the 14, 16.9, 19.6,

South Asio: KHz 21,540, 17,740, 15,295, 11,915, 9,760, 7,105 on the 13.9, 16.9, 19.7, 25.2, 30.7 and 42.2 meter

Africo: K.Hz 26,040, 21,460, 17,870, 15,330, 11,915, 9,740 7,280, e,125, 5,995, 1,990 on the 11.5, 13.8, 16.8, 19.4, 25.2, 30.3, 41,2,49, 50, 752 meter bonds.

RADIO CANADA INTERNATIONAL

Western Europe: 6600-0700 Mon.-Frl.; KHz 6140, 7155, 9760, 11825 in the 49, 41, 31 and 25 meter bands; 1990-2000 Daily: KHz 7130, 47m; 1990-2100 Daily: KHz 7555, 15325, 17875, 71630 in the 31, 19, 16 and 13 meter bands; 2000-2100 Daily: KHz 7295, 17820 in the 41 and 16 meter bands; 2100-2300 Man.-Frl.; KHz 6170, 15325, 17875 in the 49, 19 and 16 meter bands.

Africa, 0600-0700 Mon.-Fri.: KHz 9570, 11775, 11960 in the 31 and 25 meter bands: 1800-2000 Daily: KHz 15260 and 17870 in the 19 and 16 meter bands; 2100-2200 Daily: KHz 11945, 15150, 17820 in the 25, 19 and 16 meter bands, and Saf.-Sun : KHz 15325 and 17875 in the 19 and 16 meter bands.

Middle East: KHz 15-205, 11,915, 9,760, 7,200, 6,040, 1,266 in the 19,7, 25,2, 30,7,41,7,49,7,226 meter bands.

RIO DE JANEIRO 27 81

NEW DELIN

RADIO NEWSCASTS

team

- 43 Historic island in the Nile 45 St. Louis nine 48 Goose genus
- 49 Wavy, in beraldry 50 Punctilious person

Montreal's

team

brothers

- 52 Symphony section
  55 World Series champs: 1980
- 59 Office note 60 McKinley's 25 Legerdemain birthplace, in 26 Broadway hit 62 Player on
- musical 27 Postpone 29 Jury 39 Pares 63 Name of three
  - 31 Pilasters 32 Beam used by

9 Cuba's

11 Lessen or

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14 Sows' homes

22 Apiece 24 What carolers

leading baseball fan

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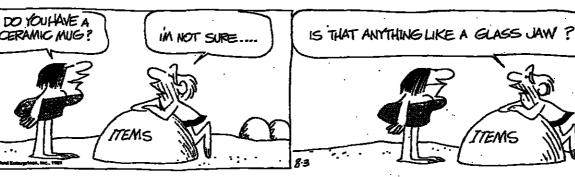
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- 47 Baseball, e.g. 51 What some fast balls do 52 Amo. amas.
- 53 Strike out 54 Otis of the Kansas City
- Royals 55 Succulent fruit 56 Corn lily 57 De Mille film
- 58 Adjective for a .250 hitter 61 Onemillion

### HEY, MANAGER, YOU WANNA SEE SOME REAL BASEBALL BUBBLE GUM Α BLOWING? WATCH THIS. DO YOUHAVE A CERAMIC MUG? IM NOT SURE









HOW CAN I GET

THROUGH TO YOU?!



BEETLE, I'VE YELLED AT YOU,

AND PLEADED, AND BEAT YOU

CUSSED YOU OUT, BEGGED

UP! NOTHING WORKS!!







I CAN'T BREAK EMUP.

















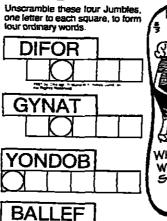








# JUMBLE THAT SCRAMBLED WORD GAME by Henn Arnold and Bob Lee

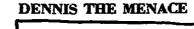


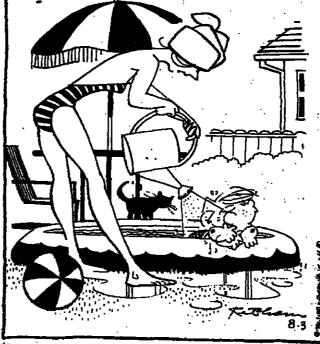


Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: Jumbles SKULK BELLE EMBODY RAGLAN Answer: Read by some people before they eat-MENUS

"Registered as a newspaper at the Post Office" Printed in Great Britain





1 TOLD MARGARET I WAS GOING TO BE A MILLIONAIRE WHEN I GROW UP ... AN' SHE'S ALREADY GOT THE MONEY SPENT !"

#### **BOOKS**

#### THE FLOWERING OF IRELAND

By Katharine Scherman. 368 pp. \$16.95.

Little, Brown & Co., 34 Beacon St., Boston, Mass. 02106.

Reviewed by Michiko Kakutani

ST. BRENDAN was one of those marvelous figures of Irish history and myth endowed with the powers of the ancient Celtic warrior heroes, as well as the fervor of Christian be-lief. Having had a wondrous vision, he set out in a delicate little ship and sailed past the dread Isle of Mice and the beautiful Paradise of Birds, past Judas sitting on a stone in the middle of the sea, to a promised land far to the west. It was this legend that caused Katharine Scherman to wonder just what sort of faith could sustain such a perilous search for grace, and she began looking into the origins of Irish Christianity. The result — and a happy result it is — is her graceful new book, "The Flowering of Ire-

As Scherman points out, Ireland has always been on the edge of things, and the consequences of its geograph ic isolation have been profound in-deed. Although Celtic culture had virtually disappeared from the Continent by the time Caesar completed his conquest of Gaul, the old ways persisted in Ireland, where everything came more slowly, and when Christianity arrived, it took root in soil infused with many pagan traditions.

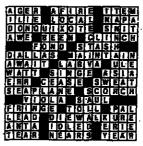
#### **Building on the Past**

Instead of trying to obliterate this past, the early Christian saints pragmatically built their faith upon it: Monastery scribes copied down the ancient oral legends and in some cases even appropriated them for their own. The pagan paradise of Tir na n'Og, for instance, became "the land of the saints," the promised place sought with such passion by St. Brendan.

Warlike, imaginative and fiercely independent, the population of pagan Ireland was organized around tuatha that is, clusters of allied families and these rival groups, in turn, imparted to Irish Christianity its peculiar character. Whereas the Continent. for the most part, adopted the centrally organized Roman episcopal model of church administration, Ireland developed a system of autonomous monasteries, each obedient only to its In terms of style at least, the faith

practiced in these monasteries also departed from Roman orthodoxy. There

Solution to Friday's Puzzle



was a simplicity to the Irish appra-a yearning toward asceticism that a sourished by the native appreciate of the mystical. Many Irish sain fact, seem to have more in came with the early Christian anchor who went into exile in the describ-derness than with their materials contemporaries in European cities.

Although a 12th-century reform tion eventually brought the counts church into the European fold, distinctive achievement of early In Christianity endured: The artistic h acy of the monasteries would be pa served in such wonders as the Book Kells, and such innovations as private confession, which were into duced by Irish saints — the Contine tal method required public penance would grow and supplant the Rem

Quite apart from their doctrinal complishments, the Irish saints a provide a remarkable spiritual histor of their country, and Scherman does splendid job of delineating their live judiciously sorting out fact from les end. Faced with converting "people attuned to the cult of the her warrior," she observes, many of the were "as quick to curse as to bless and were often decidedly reluctant turn the other cheek.

According to popular stories, S Patrick changed the lands of one kin who had given him a rather chilly reception, into a marsh of salt; and when St. Columba's sanctuary at Tarwas broken by King Diarmait, th saint reacted by raising an army ar going to war.

Yet however harsh their retribe tions may have been, these saints we always hardest on themselves. Ashamed of his anger, St. Columb later exiled himself from Ireland and vowed to convert as many souls as had died as a result of his intemperance. St. Finian set a model of austerity for his flock, eating only barle bread and water, and St. Columbanu practiced what he preached, going to confession two or three times a day At times, this hunger for salvation re flected a distinct enthusiasm for ma tyrdom: St. Brigid disfigured her fac so that no man would want to marry her, and St. Kevin spent the 40 days of Lent standing in a field, his arms outstretched like Christ.

Certainly some of these stories are familiar, and Scherman's narrative occasionally assumes the somewha awkward stance of a guide, cataloging miracles and offering detailed physical descriptions of ruined churches and abbeys. These lapses, however are momentary at worst, and do not detract significantly from this other wise fine and decorous portrait of a country and its faith.

Michiko Kakutani is culture reporter

### CHESS

By Robert Byrne

THE legendary drawing resource of bishops-of-opposite-color is showing itself more and more to be based on the wishful thinking of a player losing the game rather than on fact. It is true that in various simple endgames where the defender is a pawn down but there are no other pieces on the board, bishops that can never confront each other often guar-antee a draw, yet in a myriad of divergent situations, look out for trouble. Especially in the middle game when

there is a force of sufficient size to mount an attack, it may be a hindrance to the defender to be unable to oppose the enemy bishop with his own. Unless he has a counterattack available, he may then be, in effect, a piece down.

The main struggle in the game between Anatoly Karpov, the Soviet world champion, and Anthony Miles, Britain's top-ranking grandmaster, in the fourth round of the IBM International Tournament in Amsterdam centered around the factor of bishopsof-opposite color. As late as the 30th move, there were possibilities for Black to reach a drawn ending, but Karpov prevailed with a sharp attack.
The Caro-Kann Defense is holding:

up so well these days that such offbeat systems as the one Karpov uses here are becoming common. On 7 B-N5ch, the defense with 7 ... B-Q2; 8 Q-N3, NxN; 9 PxN, BxB; 10 QxBch, Q-Q2: 11 P-QR4 yields White an advantage in space.

After 8. NxN, Karpov was not tempted by 9 BxNch, PxB; 10 QxPch?, B-Q2; 11 QxN, R-B1; 12 Q-Q2, B-N2; 13 N-K2, B-N4 with a promising attack for Black.

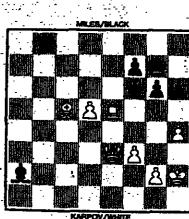
Miles should have played 11 ... B-Q2 when 12 P-Q5? P-QR3; 13 PxN, PxB; 14 QxP, QBxP would give Black the upper hand. Of course, on his 11 ... B-K3; 12 BxN, PxB, he would have obtained a strong initiative had Karpov captured with 13 QxBP?1, R-B1. However, Karpov just let the Black QBP stand as a weakness. weakness.

To justify his previous play, Miles had to try 13 ... B-Q4; 14 N-K5, BxN; 15 PxB. Instead, his 13 ... Q-BZN; 15 PxB. Instead, his 13 . Q. BZP; 14 KR-K1, KR-K1; 15 N-K5, permitted Karpov to retain a strong unerside intrinsical queenside initiative.

it was still too early to go for a pawn by 16 NxQBP since 16 . . . Q-Q2: 17 P-QB4, BxQP: 18 QR-Q1, QR-B1; 19 RxKB, QxN gets Black out of

Miles gave up a pawn with 17 ... R-N7: 18 QxBP. R-QB1 (18 ... QxQ; 19 NxQ. BxBP?: 20 NxPch, K-R1: 21 NxPch wins the exchange), hoping for counterplay. He would have gotten it after 19 QxQ? RxQ but Karnov defended his directi-RxQ, but Karpov defended his queenside pawns with 19 Q-R4!

Miles took refuge in bishops of op-posite-color with 20 ... BxN, 21



Position after 12 ... Q-B3.

RxB, but it was not long before Karpov began organizing an anack with 25 QR-K1! Miles had to forgo 25 BNP? because 26 R-QR5, Q-Q2; 27 Rorkch, QxR; 28 KrB costs Black a piece.

Karpov's 29 K-R2 produced the terrible threat of 30 Q-R6ch!, KxQ; 31 B-B8mate.

31 B-B8mate. After 30 ... BxRP, had Miles.

be would have had an assured draw. but the task proved insurmountable. On 31 B-B5, the best defense might have been 31. Q-B2; 32 Q-B4 (threatening 33 B-B8ch!, KxB; 34 R-K8ch), R-N1; 33 B-K7, but the threat of 34 P-R5 to expose the Black king

would be difficult to counter.

Karpov's 32 P-Q5! could not have been defied by 32 ... BxP? because of 33 Q-Q4!, threatening not only the bishop, but a discovered check to win

After 32 Q-B3?, the champion landed the crusher with 33 R-R5!, threatening mate as well as the queen while guarding against 33 QxPch. Miles 36 .... OxBeh was a last

forlorn hope that he could resist with rook-and-bishop against queen-and two-pawns. After 41 Q-R7, he saw that 41 B-B3; 42 P-Q7 would cost Black a piece and that 41 RxP; 42 Q-N8ch wins a rook, so the save win he gave up.

CARO-KANN DEFENSE

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One of the baseball players back at work last weekend was Rich (Goose) Gossage, New York Yankees' pitcher.

# One for the Record Books in The Year of the \*

#### \* Statistics

By Richard Hoffer Los Angeles Times Service

The fabric of baseball, it can be argued, is now a veritable needlepoint of numbers, itchery of statistics. No other game is so ictly defined by statistics as baseball, its numity so assured by figures. Baseball, er the years, has been as much founded on precepts of arithmetic as athleticism.

But the 1981 season, its fabric anyway, as been rent by the players' strike. Each cam will have missed between 50 and 60 ames by the time scheduled play resumes Aug. 10. The statistical integrity of the game will have been compromised. This will be the year, as they are now saying, of the as-

Among the neat little calculations for comparative purposes to be corrupted by the strike will be won-lost records. This will be the first season since 1918 (called at Labor Day because of World War I "Fight or Work" regulations) to end short of 154 games. How's that going to look in the

At this point the major leagues have no idea how it should look. Except that it should look substantially shorter than the at-bats during a game — 162 games multi-rest. Whether the major leagues opt for a plied by 3.1. The same factor of 3.1 may be split-season schedule, as is employed in mains to be decided.

In any event, the champion will have been

sighed Seymour Siwoff, the National League's statistician of choice at Elias Sports Bureau. "We know why it's happened but, 10 years from now, it might not e so clear. It's like the 1918 season. We always have to explain that, too."

Baseball fans, statisticians rather, will find a way to live with the shortened season. What is really going to gall them is the sta-tistical impurity of individual titles and career records.

With the use of numbers, player achievements could be compared from one season to the next. Each accomplishment, reduced to a handy little cipher like ERA or BA or RBI, can be rendered in terms of past accomplishments. Twenty-game winners, 300 hitters — these are statistical standards that prevail from season to season But they will not prevail this season. A 20-

zame winner seems out of the question. There will be no 40 home run sluggers, no 100-RBI seasons. Nobody's going to steal 100 bases.

If the statistical standards for excellence are different this season, so will be the criteria for individual titles. The batting champion will almost certainly not be required to appear at the plate 502 times. That number is a function of the schedule and averages used to determine the minimum plate apcarances for a bat

The same with the earned-run averages. The rule requires a pitcher to complete 162 crowned after an incomplete season. "We'll innings — aninning per scheduled game — have to explain this forever and ever," to qualify for the title. Likely that require-

ment will be amended, thesame factor ap- Association estimates that its members plying. The fielding title will probably be adjusted likewise.

The averages won't be so different this season. But those categories that deal with sheer quantity are going to look mighty fun-ny in the record books. Whoever wins the home run titles in the two leagues (Gorman Thomas leads the AL with 15, Dave King mand and Mike Schmidt and George Foster the NL with 14) will appear to have emerged from the dead-ball era. And all those 20game winners we are used to, well, let's get mused to them.

#### \* Salaries

By Jane Gross New York Times Service

Before the 50-day baseball strike was settled, the Los Angeles Dodgers, the most suc-cessful of the 26 major league teams, had lost approximately \$7.6 million in ticket revenues and concessions alone. The game's highest paid player, New York Yankee Dave Winfield, had lost approximately \$388,500 in salary.

While the Dodgers and Winfield were among the biggest losers in the seven-week work stoppage, the economic effects of the strike within the baseball industry were

Since June and all but a small percentage of the 650 major league player. • e gone without pay-checks. The Major League Baseball Players

whose salaries average \$175,000 a year, lost \$4 million a week. A small group of players claim to have contracts that guarantee salary in the event of a strike and have been paid, under protest, by their teams. Winfield lost more than \$7,770 for each day of the strike, while players earning minim ries of \$32,500 lost about \$180 a day.

Unlike the players, the owners' losses were eased by a \$50 million strike insurance policy and a mutual assistance fund of between \$10 million and \$15 million. The teams had received almost \$40 million before the settlement was announced, with Lloyd's of London responsible for about \$25 million as the principal insurer.

The major league cities, like the teams, have suffered losses of differing magnitude. In Philadelphia, the Chamber of Commerce reported losses of \$75,000 to \$100,000 for each game missed; each game lost at Fen-way Park cost the city of Boston an estimated \$18,000 in tax revenue and \$650,000 spent in and around the stadium.

During the strike, the teams continued to pay their minor league players and front office staff and continued to finance their minor league operations. Umpires, who earn between \$22,000 and \$50,000 were paid for the first 30 days of the strike. Ray Grebey, the owners' chief negotiator,

and the lawyers on his staff drew salaries ie parks during the strike. Marvin Miller, the execu throughout the country have been empty, tive director of the Players Association a year, and his staff of lawyers were not paid.

# 'Spring Training' Begins; **Reopening Day Approaches**

rough last weekend.

But despite the fact that their pinstripes and sweatshirts were fitting a little tighter than when they began their 50-day strike, the 650 major league baseball players were back at work. They were stretching running, throwing, hitting fungoes, taking infield, playing pepper and otherwise pretending they were in spring training again — even though it was the first weekend in August and 713 games had been lost from the regular

Off the field, player representatives met and decided to pass Friday's compromise agreement to a vote of their membership, and the owners scheduled a Tuesday meeting to decide the details of how the season would be

Amid the reverie, however, there were scattered calls for a fan boycott of the "second season," set to begin with the All-Star Game on Aug. 9 in Cleveland, and general outrage on the part of some cohomists and die-hard fans. Scott Ostler of the Los Angeles Times called on fans to "throw out the ceremonial first bitch" using ripe tomatoes. And The Washington Post's Thomas Boswell examined the once and future effects of baseball's "tacky two-month fling" that brought sust to its "thousand opportunities for calm pleasure."

#### By Thomas Boswell Washington Post Servic

Now, while baseball's labor malady is in remission. the sport can begin to place its strike in historical perspective and even anticipate the future.

This was, above all, a strike precipitated by ownership, run according to a manag ment timetable and concluded only when organized baseball thought it had extracted as many concessions from players as it could without vast and enduring damage to its prod-

In the short run, the owners reversed a decade-long trend by forcing the players to take a step backward

A small step.

In the long run, it was the players who proved they could take the owners' best punch and only give minimal ground. When will the union ever be tested so sternly again? Who will give the owners \$50 million in strike insurance next time?

And the owners have not even gotten the beginning of an answer to the question that concerns them most: how long can the union hold out? At the 50-day mark, the players had shown the ability to bend their position, offer compromises, win public and press sympathy, and yet give no hint of breaking.

The core of the owners' quest was to get direct compensation for free agents — a change in the game's basic structure that would, inevitably, lower salaries. Fundamentally, the strike was, of course,

The hidden bonanza for baseball is probably the pool concept put forward by the players. What, pray tell, is this mysterious pool?

With a few simplifications for the sake of comrehension, this is it: Every team protects its 26 best players. Everybody

else, into the pool. A team that loses a free agent gets to dip into the pool and grab one player as partial So, who will these Pool People be? Presumably

marginal major leaguers, very old veterans and minor leaguers who are not among the half-dozen or so most cherished properties in their organization. It is a fair, yet also dramatic, assumption that the

pool players from winning teams and powerful organizations, such as the Yankees and Dodgers, will be more desirable than the pool dregs offered by losing teams. (If a club loses 100 games, how good can its 27th best player be?) An interesting side note is that a maximum of five ams may declare themselves conscientious objectors

selves non-combatants for a three-year period; they can't sign anybody, but they also won't lose anyone to the hideous drowning pool. Had the owners broken the union's will this time

to the whole free-agent lifestyle and declare them-

the bosses. The players' history in the last dozen years is that, under Marvin Miller, they've never asked for a disproportionate share of the pie. If free-agent salathrough the roof, it was the result of an auction mentality among owners that no one anticipated

The most permicious effect of this strike is, as yet incalculable: the fan alienation factor. For the moment, the streets are full of cries of a fan

boycott and other amusing foolishness. Nonetheless, in a way that may never be measured baseball has damaged its link with its loyal public. The game has been profoundly unfaithful to an implicit trust. Baseball's most basic promise to its followers is, "I'll be there when you need me." Whether it be box scores, late-night radio games, Sunday averages or the ballpark itself, baseball offered a thousand opportunities for calm pleasure. Baseball seldom weeps you off your feet, it simply wins your heart

Every sport cultivates a romance with its public. Baseball, however, has just run off for a tacky twomonth fling. No doubt the game will be forgiven. But will the infatuation ever be entirely the same?

#### By Scott Ostler Los Angeles Times Service

So the silliest strike in the history of the world has been settled. Whoopie.

Baseball management has decided to give everyone a week to prepare for Reopening Day. This is fortunate, since we'll all need at least that long to recover from the emotional drain of the Royal Wedding. Two great beginnings in the same week would have been too much

The week will not only give the players time to get back into shape (what the hell have they been doing the last two months?), but will also allow you fans to

You'll need time to restudy the standings and stats. readjust your schedules and spend hours soaking up the TV and newspaper coverage leading into the new season. We'll all need time to analyze the strike, and determine who won or lost

It should take about 12 seconds to figure out that the players and owners won, and you lost. The players did miss a few paychecks, but they can make up for it with a couple of extra off-day guest

appearances at supermarket openings. Only a few of the players actually suffered the humiliation of having go out and get a real job. The owners had strike insurance, and they also

made a few bucks off the interest on your ticketmoney, which they courteously held for safekeeping durng the strike. Meanwhile, you fans, who the principals in the

strike seem to view as large two-legged wallets, were put on hold for two months while players fought for the cause of rampant inflation and owners fought for restraints to keep themselves from buying Claudell Washington for \$3 trillion.

#### Strike Up the Band

It was a little bit inconsiderate, especially to those people who are really addicted to this game. I know one man who couldn't go to sleep at night unless he played his album of ballpark organ music.
The strikers and strikees were needlessly cruel to

fans. It is also hard to believe they couldn't have settled this thing a little earlier, like 47 days earlier. After about two hours of negotiating, it should have been clear that neither side would give in completely and that a compromise was in order. But they held out, while you held on.

Naturally, the fans will see to it that the owners and layers pay for their insensitivity, yes? No.

All those fan boycotts will be forgotten. The play-

ers will not only be allowed to come back, they will be welcomed like returning World War II heroes. The fans will not only be back, but they will be armed with all that money unspent in June and July. Maybe it's just as well that a week from now every-

one will have forgotten there ever was a strike. It's probably good that there won't be lasting recriminations. But it would be nice if the fans were allowed to make one statement.

On Reopening Day, as the players and owners are introduced and are standing along the foul lines, the fans should reach into their pockets for ripe tomatoes. Then they should rise as one and throw out the ceremonial first bitch. They've got it coming.

# Griffey Finds Locker; **Kroc Plans Giveaway**

From Agency Dispatches

Confusion and certainty reigned after the major league baseball strike ended. Some players, owners and fans had definite opinions on the strike. Others suffered from mixed emotions.

Consider the plight of Cincin-nati outfielder Ken Griffey as he wandered around the Reds' clubhouse like a tourist asking, "Is this my locker? I don't even recognize Later, Griffey admitted that he

had not worked out and said that "I don't know if I can hit. I don't even know if I can bunt. When they said 'Strike,' I struck." San Diego Padres owner Ray

Kroe, however, had very definite ideas about his plans for the Padres: he announced Saturday that all seats will be free for the club's reopener Aug. 10 against

Kroe, the 78-year-old founder of the McDonald's hamburger chain, said all 50,000 seats at San Diego's Jack Murphy Stadium would be given away on a first-come, firstmean the Padres lose an estimated

#### Transactions

FOOTBALL National Feathers League
CMICAGO — Ploced Torri Hicks. linebocker on wolvers for failing to report to training Come, countred Steep Parker, detensive lineman, or wolvers from New Orleans. ugyrers train new Orlegins.

HOUSTON -- Staned Mile Reinfeldt, delensive
back to a one-year contract, walved Sleve
seler, defensive and. Rich Karlis, hicker, and graft Williams, limebocker JANSAS CITY — Wolved Earl Gast, running

ning DOCK.

NEW YORK, JETS — Cut Ed Gall, detensive tockle Stare Mover tackle, Gory England and \_em Schulze, guards, placed Kent Clauser, line. bacter and John Hilli, running back, on injured reserve PHILADELPHIA — Cut Brent Thiddle, deten-

sive tockle: Greg Fedsel, othersive tockle; and James While, cornerbock, PITTSBURGH — Cut Wilde Collier, wide re-BASEBALL

MEW YORK — Activated Tim Learn, pitcher, and assigned him to Tidewoter of the Interna-

BASKETBALL Notional Busketball Association
OCTROIT -- Signed Islan Thomas, award and (I/s)-round araff choice, to a multivear contract.
KANSAS CITY — Signed Joe C. Mart-softer nword-center, to a three-year contract. WASHINGTON — Steam Charles Davis.

HOCKEY

\$250,000 in ticket revenue for the Kroc said he hopes the gesture will allay fan animosity toward the players and owners: "Maybe we

can let 'em know we're sorry. We want to open the floodgates. · San Diego outfielder Joe Lefebvre said he expects the fans will eventually forget their bitterness and return: "Oh, there will be catcalls and that stuff, but it was

something that had to be done.

Unions strike all the time, General

Electric, the coal miners. What the

 When Bobby Brown, the New York Yankee outfielder, heard about the end of the strike he jumped up in the middle of my hed and grabbed my wife and hugged her. I told her now I'm going to be making money again so she doesn't have to divorce me I drove my wife crazy. She wanted to watch the soap operas and I wanted to watch the news. I didn't realize how important the game was to my life. I didn't know what to do with myself. The biggest

thing was waiting."

Larry Bowa, the Phillies' shortstop, said jokingly that seven weeks "was the longest Pete Rose has ever gone without a hit."

 "Not everything is sweetness and light," said Rusty Staub, the Mets' player representative and a member of the negotiating team, "but it was the best we could do to get back on the field."

 "Oh, I was steamed about the strike, was I!" said Maryanne Ex-izian, a 20-year-old electronics technician from Deer Park, N.Y. 'I cursed the owners and the players every day... I broke up with my boyfriend because he wasn't nuts about baseball like I was.

"We had big fights — I wanted watch the Yankee game on TV. and he wanted to see 'MASH.' It was hell. But there's nothing like baseball for suspense - the whole thing builds, and then: Will Goose strike out the side or walk in the winning run? Or it's the bottom of the 10th of a tie game, and Oscar Gamble unloads one. I scream my

#### Langer Wins in Hamburg

HAMBURG - Bernhard Langer became the first West German ever to win his country's open golf title Sunday when he shot a final round of 72 to beat Tony Jacklin of Britain by one shot.



Alain Prost of France leads the West German Grand Prix field shortly after the start of the Formula One race at Hockenheim

on Sunday. Coming out of the grid behind Prost were Carlos Reutemann, Rene Arnoux and Didier Pironi at far right.

# Fastnet Fleet Assembles for a Safer Race

By Joanne A. Fishman New York Times Service

NEW YORK - The fleet is as-. sembling once again at Cowes, the sailing community on the Isle of Wight, for the start Saturday of the 605-mile (990-kilometer) biennial race to and from Fastnet Rock off the Irish coast. But this time it will be a smaller, better-prepared fleet that sets sail, because of new regulations instituted by England's Royal Ocean Racing Club.

In 1979, a 306-boat fleet flew the flags of 20 nations and included the swiftest ocean-racing yachts and the world's best sailors. They had gathered in Cowes for the hard racing and the social swirl that had made this the most prestigious yacht race in Britain.

The 1979 race became the greatest disaster in the history of yacht racing. A fast-moving storm drove mountainous swells through the fleet spread across the Irish Sea, leaving 15 sailors dead and 23 boats sunk or abandoned. In all, 136 sailors were pulled from steep, breaking swells estimated to range from 25 to 60 feet high. According to Roger Ware, press

officer for the Admiral's Cup the series of national team events of which the Fastnet is the feature race — the fleet is expected to number slighty more than 200 boats, ranging from 30-foot cruising sailboats to powerful ocean racers 81 feet long that are built to the maximum length allowed un-

#### Australian Trio

der the handicap rules.

Sunday the fleet was expected to finish a Channel Race from Cowes to Cherbourg, France, and back. The last of three inshore races will be held Tuesday, before the Fastnet completes the series. One of the strongest teams in

the Admiral's Cup series is the Australian trio of Apollo, Ragamuffin and Hitch Hiker. They have spent a month practicing in the Solent, between the Isle of Wight and the English coast, with the crews undergoing physical training courses as well. Apollo is owned by Alan Bond,

skipper Bond's next 12-meter chal-lenger. Ragamuffin is sailed by Syd Fischer, and Peter Briggs is at the helm of Hitch Hiker. Nearly one-quarter of the fleet

are boats from 16 countries competing on the three-boat teams for the Admiral's Cup. Few changes will affect the Admiral's Cup boats. As Ware points out, only one boat on an Admiral's Cup eam pulled out last time.

#### Weekend Sailors

The ax has fallen, though, on weekend sailors. Rules now require the skipper and at least half the crew to have sailed in two RORC offshore races in the previous 12 months. Last time there were no crew qualifications, and consequently, Ware said, "There were an awful lot of weekend sailors who had no idea of how to deal with the conditions.

He observed that the less experienced tended to sail the smaller boats, which were more susceptible who headed the America's Cup to being knocked down by the challenge of the 12-meter yacht seas. The RORC's study on the Australia last September. The skipper is John Bertrand, who will boats were knocked down to hori-

zontal on one or more occasions 77 reported knockdowns beyond horizontal, including total inversions and 360-degree rolls.

While boats last time were only required to have radio receivers to obtain weather reports, this time all must be able to transmit as well. The larger yachts carry transceivers as a matter of course, but not the smaller ones. In the last race this meant they could not send an SOS, radio their position or let an anxious race committee

know they were safe. Life rafts and harnesses are likely to be double-checked. Seven of the 15 Fastnet deaths involved mishaps with life rafts, and six persons died after being washed over-

Ware said he believed this year's Fastnet is "certain to be a light-air race. Last time was just sort of a one-off situation. There were guys there who had sailed around the world a dozen times and they said they had never seen anything like it. They figure it just couldn't hap-pen again. That's not a very sensi-ble way of looking at it. I suppose.

board\_

# **Piquet Outlasts Prost** In West German Prix

HOCKENHEIM, West Germany - Nelson Piquet of Brazil, driving a Brabham won the West German Grand Prix Sunday ahead of Frenchmen Alain Prost in a Renault and Jacques Laffite in a Talbot-Ligier.

Hector Rebaque of Mexico was fourth in a Brabham, Eddy Cheever was fifth in a Tyrrell and Britain's John Watson finished sixth in a McLaren.

The world champion, Alan Jones of Australia, led for much of the 45-lap race but was forced out two laps from the end after his Williams developed gear-box trou-

Jones' teammate. Carlos Reutemann of Argentina, entered the race with 43 points and stayed on top of the world championship standings, as Piquet closed to with-in 7 points. Laffite moved ahead of Jones into third place in the table.

Two-Car Battle

The race quickly developed into a duel between Prost and Jones, who attacked continually without success until the 21st lap, when he squeezed past on the Sachs curve. The Australian built up an 11-second lead over Prost, but with seven laps to go he signaled to his pit crew that all was not well, and Piquet and Prost overtook his Williams as he pulled it into the pits. Jones started off again after repairs, but had to abandon on the

43d lap. The track took a heavy toll of tires, with a succession of cars pulling off for complete changes. Figure's winning time was I hour 25 minutes 55.6 seconds, for an average speed of 133.3 mph (213.294 kph). The Brazilian said

#### Pedroza of Panama Retains Feather Title

United Press Intern CARACAS — Ensebio Pedroza of Panama knocked out Carlos Pinango of Venezuela Saturday night in the seventh round to successfully defend his World Boxing Association featherweight crown for the

12th time. Pedroza now has a career record of 23 wins and three losses. Pedroza has won 10 of his title defenses by knockout. For Pinango, it was only his second loss in 23 professional fights. Pedroza earned a purse of \$60,000 while Pinango got \$5,000.

his Brabham gave him trouble after it lost a skirt near the start when he apparently drove over a tire tread shed by another car. "The car was very hard to keep balanced," he said. "Without Jones' bad luck I would hardly have won."

#### Thatcher in Accident

HOCKENHEIM, West Germany (AP) — Mark Thatcher, 27, son of British Prime Minister Margaret Thatcher, escaped shaken but unhurt from a spectacular accident on the Hockenheim track Saturday when another Briton Edward Jones, hit him from behind as his car slowed down with mechanical

Thatcher's car did a somersault and landed on its wheels. Jones suffered some leg injuries.

GERMAN GRAND PRIX 1.Nelson Pieuet, Brooti, Brobtom, 1:5:55.60. 2. Aloin Prest, France, Renoult, 1:26:67.12. 2. Joones Loffite, France, Talbot Ligit 1:27:00.20.

.27:35.9.
5. Eddie Cheever, U.S., Tyrreil, 1:27:46.12.
6. John Wotson, Britain, McLaren, 1 kep behind.
7. Elio De Angella, Yoly, Lofus, 1 kep behind.
8. Jean-Peirre Jorler, France, Geella, 1 kep be-9. Mario Andretti, U.S., Alfa Romea, 1 km be-14. Gilles Villemeuve. Conodo, Perrori, I kap be

FORMILA ONE STANDINGS

1. Reuterman, 40 points, 2. Playel, 35. 3. Loffle,
25. 4. Lones, 24. 5. Villeneuve, 21.

6. Warson, 20. 7. Prost. 19. 8. Cheever old Riccardo Palvese, Italy, 10. 10. De Angelis and Re

#### Hungarian Captures World Table Tennis

KUALA LUMPUR - Hungarian Tibor Klampar rallied to defeat Xie Saike of China in the \$40,000 World Cup table tennis champion-ship final here Sunday.

Klamper, 27 and ranked fourth in the world, won by scores of 10-21, 13-21, 24-22, 21-17, and 21-18. Xic, No. 3 in the world, had earlier upset world champion Guo Yuehua in a five-set marathon semifinal. Klampar won \$13,000 for the victory.

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#### **Letter From Rome**

# A Last Picture Show

By Dennis Redmont The Associated Press

OME — Michelangelo Antonioni is back in Italy, filming

and depressed. The director of "Blow-Up" and "Zabriskie Point," pushing 70 and frustrated by filming schedules and producer apathy, said his first movie in Italy since 1964 will probably also be his last in his minimum. ably also be his last in his native

"Shooting in Italy today is grotesque and in-sulting. Rome is the only town you film five days a week instead of six. Producers: have vanished. Distributors have limited tastes. Antonioni And the government doesn't care about movies,"

he said. Antonioni is the only active moviemaker of Italy's Big Three. Federico Fellini has been idled for two years. The late Luchino Visconti's disciple Franco Zeffirelli is working on opera and international television serials. And as Italians were lured by an explosion of private television stations that bought stocks of mostly U.S. celluloid to fill air time, cinema atten-

dance in Italy dropped 12.5 per-

cent last year. Antonioni's controversial and technically revolutionary 1979 film, "The Oberwald Mystery," finally opened in Britain but is not scheduled for U.S. release until next year. Transferred from videotape to magnetic film by a new process tested in a Los Angeles film laboratory, it contains scenes in which colors change as the camera follows the characters and their

"Oberwald" was the first Antonioni film in 16 years for which the director chose his one-time companion, Monica Vitti, as a star, portraying Empress Elizabeth of Austria.

So perhaps it was only natural for the next step to lead back to Italy, where in 1964 Antonioni and Vitti made "Deserto Rosso" (The

#### Vienna Papers Reappear The Associated Press

VIENNA - Printers in Vienna have agreed to go back to work, ending on Saturday a three-day strike that shut two major Austrian newspapers, the Neue Kronen-Zeitung and Die Presse.

Red Desert), won the Venice festival prize and capped a celebrated series of four films on the difficulcommunications between

people.
"L'Avventura" (1959). "La Notte" (1960) and "L'Eclisse" (1962) had made Antonioni a favorite of ecstatic critics and a target for enraged spectators, who found his excursions into love and middle-class indifference arcane or

Antonioni says little about his current project. "Identification of a Woman." which he finished shooting in 18 weeks, mostly in Rome and Venice. Editing will take six more months. Il maestro, as he is called, hims at a surprise as ne is called, hints at a surprise science-fiction finale whose special effects he will rig up in the United States with fellow video-experimenter Francis Ford Coppola ("Apocalypse Now") and George Lukas ("Star Wars").

"A film is like a feats in the bel

"A film is like a fetus in the bel-of its mother." Antonioni said. You can't know what kind of face

the child will have.
"The film is about a movie director and two women, one of them an aristocrat, the other a lower-middle-class theater actress," he added. "It is not a film about a movie director, like Woody Allen's 'Stardust Memories' or Fellini's '812.' But they will undoubtedly say I am hiding behind that direc-tor. I don't care if they say that."

The film stars two little-known actresses, Christine Boisson of France and Daniela Siviero of Italy. Also appearing is Tomas Mili-an, the son of a Cuban general, who found fame and fortune in Italian police dramas. Infected by what he called the "absolute genius" of Antonioni, Milian now plans to turn director himself.

"Antonioni should think this is his last film." Milian said. "That way, he will put everything into it. It's a healthy and creative feeling."

Antonioni has no great illusions about the probable success of his new film. "This country is not taken seriously. They like our films only when they show poverty or a frivolous way of presenting ourselves. Italy is not very interesting for the outside world," he said. He promised that "Identifica-

tion of a Woman" will not be pessimistic. "I don't think 'Blow-Up' or even 'The Passenger' were pessimistic. I'm not a pessimist. That's why I continue to film. But not in Italy any more."

William Safire is on vacation.

# Josh Logan Takes Stock

A Master Showman Reflects on Broadway, Enthusiasm, Mental Illness and Sundry Other Theatrical Topics

By Megan Rosenfeld Washington Post Service

WASHINGTON — His affinity with show business began, Josh Logan suspects, when he was 21: years old, living in Mansfield, La., with his grandfather and widowed mother. He doesn't remember the incident, but he has been told the story so many times he figures it must be

One evening he was taken to an evangelist's meeting, and the preacher was ranting on and on about repentance and so forth. Borrowing a phrase that had been directed at him by one of the family servants, he shouted in clarion tones and baby innocence: "Gawd, man, hush!"

For years after he was remembered affectionately by folks in town as the boy who told Nick Carter to hush up. "Who knew that three words said in public could leave that kind of impression?" he said. "I just knew I was going to go on the stage."

#### First Attempt at Teaching

Joshua Logan, now approaching 73, went on from that first public display to a life in the theater that approaches legend. He was in Washington for a few weeks, not on a pre-Broadway tryout this time, but for his first attempt at teaching, a workshop in musical theater at American University's Performing Arts Academy.

The students were in leotards and headbands, their tap or jazz dance shoes clacking on the floor. Though they were young, they knew who Joshua Logan is. They knew the songs from "South Pacific," which he directed. co-authored and co-produced, and the names of characters in "Picnic," which he directed on Broadway and on the screen, and the plot of "Bus Stop." in which he directed Marilyn Monroe in one of her best

Some of them brought in, for autographs, copies of his two volumes of autobiography, which are filled with anecdotes about people like Mary Martin, Stanislavski, Henry Fonda, and

Rodgers and Hammerstein.

And if they didn't remember everything in a career that started in the early 1930s, he told them. Every day he talked for an hour and a half, reminiscing, hoping to communicate the complexities of the theater profes-sion. Later in the day, he taught an acting class.

"This is a sort of an experie-ment," he said during a break be-tween classes. "I thought it might give me another book. Some kind of new way of looking at myself." Also, he added, he is a workaholic. He likes to be busy. Affection and Respect

The students seemed to regard him with a mixture of affection and respect. They called him "Josh," as he requested, and brought their lunch to class, as he suggested. He sat in a highlegged chair on a stage, half-glasses perched on his head, oc-

casionally looking at his watch to make sure he didn't talk too long. When asked what made him 50 successful as a director, he sug-gested that perhaps it was his enthusiasm for something I truly like. . . . I can excite every-body else with that and it's also a calming influence on everyone. They trust my enthusiasm. And I trust it. Something else is that I do not despise showmanship. I

"Are you interested in all this talk about Russia?" he asked one class. They assured him that they were. "It doesn't have many laughs," he warned - and launched into a description of his trip there in 1930 to study with Stanislavski.

find it a part of good theater.

"Stanislavski himself was a tall, big man with very thick lips. He looked like a foreigner. He was a sort of buff-colored man, with a head of full, white hair. He was kind, but also a devil. He went after any actor he thought was pulling some silly or worth-less thing. He would never let anyone get away with anything that was unrealistic or preten-

From Stanislavksi he learned that he wanted to be a director.

Logan said. Before observing the great man at work he had thought of himself primarily as an actor. But the trip to Russia, during his senior year at Prince-ton, showed him the creative possibilities of directing.

#### Strasberg Criticism

Stanislavski and The Method. That brings him to Lee Strasberg: "I am not at all an admirer of Lee Strasberg. He claimed to be the Stanislavski man. He said he had never met him and was glad he hadn't. . . There's one thing I hate, and that's pomposi-

However, Strasberg did Logan "one good turn": He told him that Marilyn Monroe was a good actress. Partly as a result, Logan cast her in "Bus Stop." He calls her the "most brilliant" actress he ever worked with. She was al-most never late, he said, and was always cooperative.

Logan wrote a letter of advice to Laurence Olivier, who was to direct Monroe in The Prince and the Showgirl, warning him that she was unlike other actresses. "Don't tell her exactly how to read a line," he advised. "Let her work it out some way herself no matter how long it takes." Logan said Olivier did not take the advice, and his experience with Monroe was horren-

#### Mental Illness

Perhaps, a student suggested, Logan had a special rapport with Monroe because of his own experience with mental illness. By the time he worked with her in the early 1950s, he had been hospitalized twice with nervous break-

He disagreed. "Marilyn was not a manic-depressive. I am."

He has taken lithium since its use was pioneered in 1969, and he feels it is one of the best things that ever happened to him.
"One of the luckiest things in my life is that my mental illness, which is something I will have all my life, has a preventative. I will take it all my life."

He never hid his illness, and an appropriate story to tell. It went on television with his doc-



Director Logan: "Gawd, man, hush!"

tor to help publicize lithium. It was only after his first breakdown that he learned that his father, who killed himself when Logan was 2, may have had the same disease. He said his career did not suffer because of his illness - probably, he joked, because show business is a manicdepressive profession.

He did not like his two most recent projects, a play called "Horowitz and Mrs. Washington," which had a brief New York run last year, and a musical called "Look to the Lilies." But he plans to direct a revival of "Charley's Aunt" next year in Georgia and hopes to bring it to Washington's Kennedy Center later. He has an idea for a new musical, too.

This being Washington, he had

has to do with Nancy Reagan, when she was 12 and still Nancy Davis. She had gone to California with her mother and stepfa-ther to visit their friend Walter Huston, whom Logan was trying to persuade to take the lead in Kurt Weill's "Knickerbocker Holiday."

Logan, thinking the girl's en-thusiasm might help him snag Huston, asked her to sit in while he played the score for the actor. Huston said he'd do the show if they wrote another song for him. Weill produced "September

Much later, Logan learned that the girl be thought was so "wonderful" and enthusiastic had said as soon as Logan walked out the door, "Oh, Uncle-Walter, it's a terrible play - it's not for you."

U.S. Identical Trop To Try Channel Su

James and Jonathan 12. 27-year-old identical twins Wantagh, N.Y., will artempt swim the English Channel Sunday — and set some recon will be the first time the c feat has been attempted by first time the swim has been tempted by identical twins and first time it has ever been attached with the butterfly stook ed with the butterly stroke.

"Tiger Twins," as the diDo.
call themselves already hold world records for long-din
swimming Their 10-mile (he
lometer) swim on Aug. 27, 199,
the Atlantic Ocean off For L erdale. Fla. was the first in record set simultaneously by two persons, the first world rein any sport held by twins and first 10-mile butterfly swim:

At least one of the constant Watergate conspirators. Co. W. Colson, has had a reconstition with John W. Desa, the to on White House staff men whose testimony before the Sen Watergate Committee transfer several of his administration. leagues. Colson, who became born-again Christian while senseven months in a U.S. prison his part in the Waterpate cover was in Jefferson City, Mo., week on behalf of Foundation lowship, which he founded at his release as an evangelical min-try for convicts. Of former Pro dent Richard M. Nixon, whom served as special counsel in White House, Colson said: "I him only two months ago, and in a marvelous spirit." As a Dean, Colson had only be words. "We've had a full recon-ation," he said.

Pranud Karan Sethi, who does oped lifelike artificial limbs peasant amputees in western dia, has been named winner of Ramón Magsaysay award for up munity leadership, the award for dation announced over the week year-old doctor for his "surge genius" that has enabled permit genius" that has enabled pemis and crippled rural Indians to so new lives. The artificial leg is Sehti and his associates have a vised is called "Jaipur Foot," at the Indian city where it was described. The annual award, named the Philippine president will died in an airplane crash in 195 carries a cash prize of \$20.000. carries a cash prize of \$20,000 has been called Asia's version the Nobel Prize.

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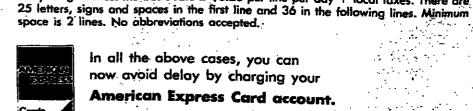
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